

Exports Push Japan's Growth To 9.3% Level in 3d Quarter

Compiled by Our Staff From Dispatches TOKYO—The Japanese economy grew at an annualized 9.3 percent rate in the third quarter as consumers and manufacturers went on spending spree and exports boomed, the government said Tuesday.



President Gorbachev during arrival ceremonies Tuesday at John F. Kennedy International Airport.

Gorbachev Vows New Dynamism In U.S. Relations

By Fred Farris International Herald Tribune NEW YORK—Mikhail S. Gorbachev arrived in New York on Tuesday for a three-day visit during which he intends to discuss the entire range of U.S.-Soviet issues with President Ronald Reagan and President-elect George Bush.

Protectionism: New Warning IMF and World Bank Chiefs Call for Action on Barriers

By Reginald Dale International Herald Tribune MONTREAL—The heads of the International Monetary Fund and the World Bank warned Tuesday that mounting protectionism continued to threaten the world economy, and they called for urgent action to reduce international trade barriers.

Bush Rounds Out Economics Team

By Ann Devroy Washington Post Service WASHINGTON—President-elect George Bush named five senior officials Tuesday to his administration, including his first female cabinet member, Carla Hills, a Washington lawyer who is to be special trade representative, and Thomas Pickering, a career diplomat who is to be the chief delegate to the United Nations.

A Manhattan Mini-Moscow for Emigrés

By Elizabeth Tucker Washington Post Service NEW YORK—The tables are piled with caviar, chicken in spicy walnut sauce and shashlik. Off in the corner, a sequined fortune-teller casts her cards. All around, deal makers, writers and artists chatter above the strains of melancholy Russian songs.

3 Are Killed In Clashes in Azerbaijan

By David Remnick Washington Post Service MOSCOW—The Soviet Foreign Ministry announced the deaths on Tuesday of three more people in ethnic violence in the southern republic of Azerbaijan.

Kiosk

Soviets Discuss New Spaceport MOSCOW (UPI)—The Soviet Union and Australian businessmen are negotiating to build a spaceport in Australia for which Moscow would supply Proton rockets in a huge commercial deal, a top Soviet official said Tuesday.



Robert H. Michel, minority leader of the U.S. House of Representatives, calls for political reforms. Page 3.

General News

An Argentine colonel was seized as a revolt ends. Page 2.

Business/Finance

Morgan Grenfell shook the City of London by dismissing 450 employees. Page 15.

Special Report

A new generation of direct-to-home satellites promises a new era of television viewing in Europe. Pages 7-12.

Table with financial data: Dow Jones, The Dollar, etc.

U.S. Says South Africa Will Sign Angola Pact

By David B. Ottaway Washington Post Service WASHINGTON—South Africa has informed the United States that it intends to sign a U.S.-brokered peace settlement for southern Africa although it unexpectedly walked out on what was expected to be an initial signing ceremony Sunday.

'Tis No Season to Be an East Bloc Shopper in Czechoslovakia

By John Tagliabue New York Times Service PRAGUE—Comrade Scrooge showed up here several weeks early. The Czechoslovak government has slapped strict curbs and stiff penalties on Christmas shoppers from several fraternal neighbors, including Poland, East Germany, Hungary and the Soviet Union.



INTIFADA: ONE YEAR OLD—Israeli women and children sitting in a civilian bus Tuesday after it was stoned while traveling from the occupied West Bank to Jerusalem. One rock still is embedded at the top of the windshield. No one was injured in the attack. Related articles, Page 6.

Handwritten Arabic text: صكجات الاصل

Gorbachev Is Expected to Urge Easing of Trade Restrictions

By Jonathan Fuerbringer
New York Times Service

NEW YORK — The Soviet president, Mikhail S. Gorbachev, is expected this week to push for an easing of some United States trade restrictions that have inhibited trade between the two countries. And for the first time in more than a decade, the prospect seems possible, even to longtime U.S. opponents of such relaxation.

The restrictions deny special breaks on import duties and limit export credits and loan guarantees. Any suggestion of change is expected to spark sharp debate, because the issue has been tied up with human rights in the Soviet Union and, in particular, the question of the emigration of Soviet Jews.

There has been no significant effort to liberalize these laws since the mid-1970s, and the delicate politics involved could make it impossible again this year.

But continuing improvement in relations between Moscow and Washington on arms control, progress in settling regional conflicts like the Afghanistan situation, Mr. Gorbachev's pursuit of change in the Soviet Union and a sharp rise in Soviet Jewish emigration has clearly altered the atmosphere.

If there is a further increase in emigration next year and if the new Bush administration decides to meet Mr. Gorbachev halfway and then pushes the notion in Congress, some breakthrough seems possible.

"We recognize that changes are taking place in the Soviet Union," said Myrna Shinnbaum, the national director of the National Conference on Soviet Jewry, "and we will certainly begin to talk about Soviet trade policy in that light."

"I think Congress, in a limited way, would be willing to put its toe in the water and relax a little bit," said Representative Charles E. Schumer, Democrat of New York. He is a member of the House Banking Committee, which would consider some of the possible changes.

But at the same time that the rise in emigration may aid the case for relaxing trade restrictions, the large spurt of commercial loans to the Soviet Union by allies of the United States has prompted questions about their impact on American national security. These new concerns, which have already produced a Senate resolution calling for a study of the issue, could limit significant action by Washington on export credits.

Although almost any relaxation of trade restrictions would be a major coup for Mr. Gorbachev's efforts to change the Soviet economic system, the actual economic impact would not be immediately significant.

● Repeal of the limit on export credits for American companies selling to the Soviet Union.

● Soviet access to the United States stock and bond markets.

● A revision of the United States-Soviet tax treaty so that American companies involved in joint ventures with the Soviet Union can benefit from tax breaks that Moscow is expected to propose soon.

● An investment protection agreement to encourage more American companies to consider joint ventures with the Soviet Union.

American business executives have been pushing for the liberalizing of the trade laws for some time, especially because their competitors in Europe and Asia get much more assistance and support from their governments. "We don't have a great deal of political encouragement from our government," said James R. Giffen, the head of the American Trade Consortium, which is working on a major, six-company joint venture proposal with the Soviet Union.

According to a cable to Washington from the U.S. Embassy in Moscow, a Soviet trade official has said that Mr. Gorbachev was likely to push for changes in four areas:

The Moscow-Riyadh Thaw

NICOSIA — Diplomats said Tuesday that a meeting between King Fahd of Saudi Arabia and a Soviet first deputy foreign minister was a step toward establishing ties with Moscow after 50 years of leading what some saw as an Islamic crusade against Communism.

Diplomats said the meeting on Monday night between King Fahd and the Soviet official, Yuli M. Vorontsov, at the royal palace in Riyadh on Monday night was not unexpected.

Saudi Arabia, which diplomats said regards itself as the guardian of mainstream Muslim values, has been moving gingerly toward ties with Communist nations, partly spurred by what they described as disenchantment with Washington's pro-Israeli policies.

SUMMIT: Gorbachev Visit

(Continued from page 1)

timidity in U.S. policy on issues like arms reduction and, perhaps, to be seeking greater trade with the United States.

At a news briefing on Monday, Georgi A. Arbatov, a member of the Central Committee of the Soviet Communist Party, gave a preview of ideas that Mr. Gorbachev is expected to put forward in his speech to the General Assembly.

"We started off with a whole concept of a world that we saw as a split one, full of contradictions that cannot be reconciled," said Mr. Arbatov, an expert on U.S. affairs who heads the U.S.-Canada Institute of the Soviet Academy of Sciences.

"Now we have come to the conclusion that with all its contradictions the world is one, unified and interdependent and extremely fragile and that this must be the basis of our policy," he said.

U.S. officials have said that they did not intend to make new proposals and would merely listen to what Mr. Gorbachev had to say.

New York, meanwhile, was bracing for what could be traffic chaos. The city police chief, Robert J. Johnston, said his biggest worry was that Mr. Gorbachev might decide to get out of his limousine "and do his thing," shaking hands with people in the crowds, as he did in Washington last year.

During the visit, demonstrations are expected by groups supporting Soviet Jews, Armenians, Estonians, Ukrainians, Afghan guerrillas, and anti-Castro Cubans.

Mr. Gorbachev and his wife, who will stay at the Soviet Mission to the UN, are to attend receptions for diplomats and prominent New Yorkers on Wednesday and Thursday evenings.

On Thursday morning, the Gorbachevs plan to open a Soviet trade exposition at the new Javits Center, and there is speculation among U.S. officials that this would provide the forum for new trade initiatives from the Kremlin leader.

Mr. Bush met Monday with Mr. Reagan to discuss the Gorbachev meeting and afterward told reporters that although he would be attending as vice president, "I expect they'll be aware they're talking to the next president."

A State Department official said Secretary of State George P. Shultz and Mr. Shevardnadze would meet for an hour Wednesday.

As Troops Return to Bases, Alfonsin Notes Concerns of Rebel Officers

By Shirley Christian
New York Times Service

BUENOS AIRES — President Raúl Alfonsin expressed sympathy Tuesday for some of the concerns of army officers who rebelled in recent days, and he put part of the blame for the uprising on Argentina's economic crisis.

The rebel troops returned to their bases on Tuesday.

In a speech before an agricultural group, he seemed to be trying to respond to longstanding demands by members of the armed forces for "vindication" of their conduct of the counterinsurgency campaign a decade ago, during which security forces are presumed to have killed 9,000 people in detention.

He said that it had been necessary to wage a "fight that was almost a war" to restore the power of the nation's institutions. The campaign was directed against various leftist guerrilla groups that tried to set off an insurrection.

Mr. Alfonsin reiterated his statement that no concessions had been made to obtain the surrender early Tuesday of Colonel Mohamed Ali Scineidin, leader of the rebellion.

But people close to the military predicted that the army chief of staff, General José Dante Caridi, would retire before Christmas under a supposed agreement made with Colonel Scineidin during weekend negotiations.

General Caridi, who was appointed to his post in April 1987 during the first of three army rebellions faced by Mr. Alfonsin, has been viewed by many army officers as too obedient to the president and not aggressive enough in pushing traditional army prerogatives.

Mr. Alfonsin said it was obvious there were "anxieties" within the armed forces and that "only a fool could ignore them." This concern, he said, was rooted in the low salaries and the lack of money to repair and replace equipment.

Mr. Alfonsin and General Caridi announced the end of the rebellion Sunday night, and loyalist army troops were withdrawn from the gates of the Villa Martelli base that was the center of the rebellion.

No indication was given of any agreements that may have been established between the two sides; all day Monday, the rebels continued to occupy the base, and Colonel Scineidin said he was waiting for the army leadership to fulfill its side of a bargain.

But shortly after midnight, the army command said he had given up and was taken to another base. Army officials said he would be prosecuted by a military court.

● Party Accuses Noriega

In Panama City, the opposition Christian Democratic Party charged Monday that Panama's leader, Manuel Antonio Noriega, supported Colonel Scineidin, the CDC says was a Noriega military adviser, The Associated Press reported.



A soldier gives a V sign from a tank Tuesday as troops return to base in Buenos Aires.

Cartier

Cartier jewelry is sold exclusively in the Cartier jewelry stores and the Muste de Cartier boutiques. Each piece is accompanied by a certificate guaranteeing its authenticity.

PARIS - LONDON - NEW YORK
MONTE-CARLO - GENEVA - MILAN
AND ONE HUNDRED AND TWENTY CARTIER STORES IN MAJOR CITIES WORLDWIDE.

Dining Out

CANNES	PARIS 7th
GINZA Japanese restaurant, Teppanyaki, sashimi, sushi bar, private cocktail and bar. COLONY CLUB Night club, Next to Palm Beach Casino. Tel. 93 94 37 57/93 43 11 40.	CHEZ LES ANGES Served in Michelin Guide, Burgundy Spiced, Continental cooking. Cl on Sun, eve. 54 Bd. Launay-Maubourg. Tel. 47 06 89 86.
PARIS 1st	PARIS 8th
L'ALSACE AUX HALLES Sausages, Fish, Charcuterie. For night on per day. 16, rue Capotoul. Tel. 42 36 74 24.	THOUMERIX , Specialties of the South-West. Café de concert & cocktail au café de concert. Cl. Monday, 79 rue St-Dominique. Tel. 01 47 02 47 15. Near Invalides Terminal.
PARIS 2nd	PARIS 8th
KITTY O'SHEA'S PUB Sister of the famous Dublin Pub located 50 yards from P. Vendôme. The French home of Irish Coffee and excellent draught beer. Open 7 days. 10R, Capotoul. T. 40 15 00 08.	LE BISTROT D'ARMAND Between the Champs-Élysées & the St-Hippolyte. Bistrot & its team will receive you in an intimate & cordial setting. Continental cooking, 0 to 11 pm, daily special. Nice dining room & reception room. 30 rue de Valenciennes. Tel. 47 25 25 25. Cl. Sat. mid. & Sun.
JOHN JAMESON The first Irish Restaurant in Paris, recommended by major guides. Business lunch FR 75 and 0 to 11 pm. Sunday brunch. Open Monday, 10 Rue Capotoul. 40 15 00 03.	AL DIWAN Continental restaurant, cooking. Catering service. Open every day. 30, av. George-V. Tel. 47 20 84 98.
INDRA AND YINSHOU The most exclusive Indian restaurants in Europe renowned for its cuisine, décor & hospitality. Recognized by gastronomical experts internationally has been awarded prizes in Paris, Rome, New York, Madrid, Rio de Janeiro, Buenos Aires, London, etc. (St. Philippe-de-Roule). 48 29 44 40. YINSHOU, 11 rue de Valenciennes (75) (Opéra). 42 37 25 24 & 42 37 25 24.	MACADAM Bar-Café - Sunday Brunch. Open 11 to 12 am, every day. 1, Rue Dalenot. Tel. 43 55 43 86.
RAFFAÏN AND HONORINE The American party has made its forays. Delicacies specialties - festive atmosphere. Lunch - various. Daily, 16 Bd St-Germain. Tel. 43 54 22 21.	PARIS 14th
LE PETIT NAVIRE A friendly little restaurant where fish specialties are prepared (COCQUETTES, FRIANDE, etc.). Various dishes chosen by the manager. 14, rue des Fossés St-Jacques. 43 54 22 22.	PARIS 15th
AU VIEUX PARIS 16th-century setting. Traditional and South-Western cooking. Open 11 to 12 pm. 2, Pl. de Valenciennes. Tel. 43 54 74 22.	LE WESTERN The only restaurant with specialty imported beef from the U.S. Business lunch 185 FF. Wine included. Open daily. T. 47 73 92 00. Paris, Villiers, 16, Av. des Saussaies.
LA TAVERNE BASQUE Basque country specialties - Fois gras. Cassoulet - Duck with Fricaselle. 45, Rue de Valenciennes. Tel. 42 22 51 07 or 45 44 06 22.	PARIS 16th
LE VILLAGE Restaurant - Jazz Bar Club. St-Germain-des-Près atmosphere. 7, Rue Cassini. Tel. 43 26 30 19.	LE CLODENS Provencal lunch 120 FF. Cold parties, vegetarian food, soup, picnic dishes. Cl. Sat. 11 to 12 pm. 0 to 11 pm. 22 rue de Valenciennes. 46 06 20 24.
SANCTE WINE TASTING Cuvée de prestige, Anjou, Bourgogne, Champagne, Jura, Languedoc, Provence, Rhône-Alpes, Savoie, Val de Loire, Vaucluse. Le Sancte, 22, L. de Valenciennes. Tel. 43 51 75 97.	ROMA
AU COEUR DU PARIS MÉDIEVAL Faire office on rue de la Harpe, 111, au-dessus de la porte de la Harpe. 111, rue de la Harpe. Tel. 43 51 75 97.	DA NEOPATACCA Treatments, Rest. Room for fun food, music & dancing. 00153 Rome, Forum De Marconi. Tel. 06-5816198, 582193. Fax 582292.
UNIVERSITY DEGREE BACHELOR'S • MASTER'S • DOCTORATE For Work, Academic, Life Experiences. Send detailed resume for free evaluation. PACIFIC WESTERN UNIVERSITY 600 N. Sepulveda Blvd., Los Angeles, California, 90049, Dept. 33 U.S.A.	KERVANSARAY Turkish & Levantine specialties, hot bar, best seafood restaurant, 1st floor. Maitre. 9, Tel. 51 28 84, 4th floor, 80 m. Opéra. Normal open, 6 pm - 1 am, except Sunday. Open holidays.

EMIGRES: A Mini-Moscow

(Continued from page 1)

were arguing politics in New York and waiting for revolution.

Most debates among the Russians revolve around contemporary political issues: Is Mr. Gorbachev sincere? Can he succeed?

Alexis Scherbatov, a descendant of Rurik, the first ruling czar of Russia, and now head of the Russian Nobility Association in America, said: "Emigrés started talking about the Soviet Union again; they became interested when Gorbachev came to power."

Another Russian said: "Some are apologists for Gorbachev. Most are obviously critical; most are sincerely skeptical."

Anatole Belkin, a 35-year-old artist, does pen-and-ink drawings of sometimes melancholy scenes of urban life in Moscow, hospital rooms, communal apartments, and he paints oils of old buildings. His works are displayed by the emigré gallery owner Eduard Nakhamkin.

"I walk down the street and suddenly I hear, 'Tolya, how you doing?'" he said. "It is absolutely incredible that I am here."

Mr. Belkin said he is enchanted with New York. "It is unadorned internationalism," he said. "On Madison Avenue, I can see Picasso, Giacometti, and Calder. Modigliani you can touch with your hands."

Mr. Belkin said he hoped his country is nearing normal relations with the West, but pointed out that the situation is fragile. "Each day I wake up afraid, Gorbachev is risking everything."

Gagik and Hovik Dilakian, 37 and 38, agree. The two brothers, clothing designers, are the sons of an Armenian movie actor. Hovik arrived in 1978. His brother followed nine months ago.

Working out of Gagik's Columbia student housing (Gagik is learning English), the pair are making whimsical scarves bearing sub-way and street signs, and hot confessions that depict teapots, Pepsi Cola, toasters, skyscrapers, watermelons and hamburgers. These they sell to small boutiques.

In New York, Hovik said, the thirst for creative ideas is endless. "It takes a foreigner to see everyday things like a street sign" as an artistic inspiration, he said.

Business Aside, Gorbachevs Set To See Sights

The Associated Press

NEW YORK — The Mikhail S. Gorbachevs, after the Soviet leader's lunch Wednesday with President Ronald Reagan and Vice President George Bush, were scheduled for a little sight-seeing.

Mr. Gorbachev and his wife, Raisa, were to visit the observation deck on the 107th floor of the World Trade Center following the luncheon meeting. A 45-car motorcade was to take them past the New York Stock Exchange and then up to Times Square along routes closed to normal traffic.

On Thursday, the Gorbachevs are to attend a Soviet trade show at the Jacob Javits Convention Center before a visit to Central Park and a look at the European paintings at the Metropolitan Museum of Art. A spokesman for the city police department said that Mrs. Gorbachev might visit a department store, but wouldn't say which one, or when.

ETHNIC: 3 Killed in Azerbaijan

(Continued from page 1)

lence, "including three servicemen."

The newspaper Socialist Industry reported that there have also been deaths in the Armenian towns of Masis, Kalinin and Gugark, but gave no specifics.

More than 150,000 people have left their homes in both republics since the violence began, officials said. Mr. Gorbachev and Prime Minister Nikolai I. Ryzhkov issued a statement, published on the front page of the government daily Izvestia, warning officials in the two republics not to take actions that force people to leave their homes.

"Armenian and Azerbaijani officials allowing and combining in the removal and deportation of people from their permanent places of residence for national reasons" would be punished, the statement said. It also called on officials in both republics to quell lawlessness.

The conflict, which centers on the control of the region of Nagorno-Karabakh, has led to mass demonstrations in Yerevan, Baku and other cities. Soviet tanks and troops are present in both capitals. In Baku, official sources said troops fired over the heads of demonstrators to clear a city square.

BUSH: The Economic Jobs at the Top Are Now Filled

(Continued from page 1)

retary of education who is to retain his post.

● Mr. Webster, 64, who was named by President Ronald Reagan to head the CIA in 1987, previously had served as director of the FBI for nine years.

Mr. Bush said the CIA job, like the UN post, would not hold cabinet rank because it should be an intelligence-gathering, not policy-making post. Amid speculation that Mr. Webster was being held over only temporarily, Mr. Bush said his tenure in the post was "open-ended."

The trade representative negotiates trade agreements with other countries and investigates complaints of unfair trade practices. The commerce secretary enforces trade policy and seeks more markets for U.S. goods, and serves as a voice for U.S. business within the government.

The commerce secretary also oversees one of the government's most varied agencies, ranging from the National Weather Service to the Census Bureau to the National Bureau of Standards.

Mr. Mosbacher, Mrs. Hills and Mr. Boskin will join Mr. Bush's choices of Nicholas F. Brady as Treasury secretary and Richard G. Darman as budget director in completing the main group that is to advise the president-elect on economics after he assumes the presidency Jan. 20.

Among the important posts left to fill is that of secretary of defense, and Mr. Bush again offered words of praise for John G. Tower, a former Republican senator from Texas. Mr. Bush said that he had seen nothing that would disqualify Mr. Tower for that post.

On the defense team, Mr. Bush's designated chief of staff, Governor John Sununu of New Hampshire,

WORLD BRIEFS

U.S. Gains Access to Israeli Account

LAUSANNE, Switzerland (Reuters) — The Swiss Supreme Court granted U.S. investigators access Tuesday to the bank account of an Israeli arms dealer who acted as a middleman in the Iran-contra scandal.

It said some bank documents would not be handed over because of an agreement signed this year between Israel and the U.S. special prosecutor, Lawrence Walsh, who is investigating the affair.

The court rejected an appeal by Jacob Nimrodi, a former Israeli intelligence agent, against a Swiss government order that lifted bank secrecy laws to let the United States examine his account with Credit Suisse in Geneva. It said Mr. Nimrodi had admitted that about \$1 million in Israeli funds had been transferred from his account to that of Lieutenant Colonel Oliver North, a former member of the U.S. National Security Council fired for his involvement in the affair.

Thatcher Scrambles to End Egg Row

LONDON (Reuters) — Prime Minister Margaret Thatcher tried Tuesday to defuse a dispute over British eggs that has emerged during her party's calls for the resignation of the junior cabinet minister for Health, Mrs. Currie said Tuesday that she had no regrets about her comments and repeated her warning to shun raw eggs.

Three days after the minister, Edwina Currie, said that some British eggs were infected with salmonella bacteria, which can cause food poisoning, Mrs. Thatcher announced in Parliament that the health minister on scrambled egg on toast, and enjoyed it.

Dozens of salmonella outbreaks have been linked to eggs this year, and health and agriculture officials said that chances were slim of being poisoned by one of the million eggs consumed annually in Britain.

U.S. Delays Opening of Nuclear Plant

WASHINGTON (NYT) — The reopening of the only U.S. industrial plant capable of processing plutonium for nuclear warheads will be delayed for at least two months while the government tries to clean up decades of accumulated plutonium dust, according to Energy Department officials.

The officials said it was now clear that the processing building at the Rocky Flats plant near Denver could not reopen until February. It had been scheduled to open on Dec. 1, but the department said that programs managing safety, health, and fire protection at the plant would take months longer to resolve.

Last week, the department said serious safety problems would delay the reopening of another plant crucial in the manufacture of nuclear bombs, the Savannah River Plant near Aiken, South Carolina. That postponement was the result of an engineering report that revealed safety problems far more severe than previously acknowledged.

Kuwait May End Reflagging of Ships

KUWAIT (AP) — Kuwait indicated Tuesday that it might be ready to end the operation that put U.S. flags on Kuwaiti tankers and precipitated a buildup by the U.S. and other Western navies last year during the Gulf War.

"The reflagging was strictly a commercial deal, and I see no reason why we should not return the Kuwaiti flag to the masters now that the reason for reflagging are no longer there," said the Kuwait information minister, Sheikh Jaber Mubarak Sabah.

Defense Secretary Frank C. Carlucci of the United States was to arrive in Kuwait from Riyadh Tuesday after visiting U.S. Navy units in the northern Gulf.

Peruvian Attaché Is Slain in Bolivia

LA PAZ, Bolivia (AP) — Peru's naval attaché to Bolivia was killed by gunmen Tuesday on a street in central La Paz, and a previously unknown extremist group claimed responsibility in a note left near his body, witnesses said.

A man and a woman grabbed Captain Juan Vega Linares one block from the Peruvian Embassy, and one of them fired three shots at his head, witnesses reported. Mr. Vega Linares died instantly.

The man and the woman immediately left the site and have not been found, the Ministry of the Interior said. A note left with the body signed by the Revolutionary Labor Movement said: "This is our war against the imperialists that day to day pretend to smother with blood the just struggles of the people. In response to these veins full of blood today we make justice, eliminating a bloody murderer of the people, naval attaché Juan Vega Linares."

For the Record

President Ronald Reagan will hold a news conference at 8 P.M. on Thursday, the White House announced Tuesday. It will apparently be his last formal session and will be a day after his meeting in New York with the Soviet president, Mikhail S. Gorbachev.

Major General Winfield Scott Harper, 53, commander of the U.S. 16th Air Force, based in Spain, was killed Monday while piloting an F-16 fighter bomber that crashed in Spain during a routine training mission, U.S. officials said.

All 20 U.S. nuclear cruise missiles in Belgium will be withdrawn on Dec. 13 under the 1987 U.S.-Soviet Intermediate-range Nuclear Forces treaty, U.S. officials said in Brussels on Tuesday.

Paris Transit Union Rejects Offer

PARIS (AP) — The largest of seven transit unions in Paris rejected on Tuesday an accord with the city's transportation agency and said a three-week-old strike would go on. Three smaller unions said they would sign the agreement.

The Communist-run General Confederation of Labor, which called the strike, said Tuesday that the proposed agreement did not meet its members' demands. Transportation remained a struggle for most people on Tuesday. Buses in Paris were running at about 50 percent of normal and the Métro system, depending on the line, was operating at from 30 percent to 70 percent. The main roads leading to the city were snarled with traffic.

Meanwhile, several Air France flights from Paris were canceled Tuesday because of a pay dispute between air management and ground workers, and several Channel ferries were affected by striking port workers.

TRAVEL UPDATE

East Germany to Relax Travel Rules

BONN (Reuters) — East Germany plans to unveil detailed new emigration and travel rules, according to an internal Communist Party document.

The document outlined the rules and provided ideological ammunition for party officials who expect a flood of questions when the changes are announced in the middle of the month.

It said the plan would broaden some rules but it made clear that no one has an absolute right to travel. The rules extend the list of "urgent family matters" accepted as reasons for travel, such as weddings and special birthdays. They also specify who is eligible to emigrate. But catch-all clauses empower officials to stop doctors, teachers and other essential workers from visiting the West.

British Airways said Tuesday it would resume flights to Tehran now that relations have been restored between Britain and Iran. (Reuters)

Heavy snow in southern Germany caused chaos for rail and road travelers Tuesday. A Munich official said 250 people worked through the night to clear tracks but transport was normal until noon. (Reuters)

Sir David Trench, 73, Of Hong Kong, Is Dead

International Herald Tribune

LONDON — Sir David Trench, 73, governor and commander in chief of the British colony of Hong Kong from 1964 to 1971, died Saturday in southwest England. The cause of his death was not made public.

During Sir David's seven-year tenure, Hong Kong experienced civil disturbances and a critical water shortage aggravated by China's decision to halt supplies.

He had taken part in the campaign in the Solomon Islands during World War II and later worked in the British civil administration there.

He was transferred to Hong Kong in 1950, where he served as financial secretary, defense secretary and commissioner for labor, and deputy colonial secretary before being appointed governor.

● Other deaths:

Fernand Moriat, 93, a lithographer who printed the works of artists such as Picasso, Chagall and Matisse, Sunday in Paris.

Luang Thansong Nirasawat, 87, the former Thai prime minister who played a key role in Thailand's transition from absolute to constitutional monarchy 56 years ago, in Bangkok of a heart attack Sunday.

Johnny Paycheck, 74, a boxer who fought Joe Louis in 1940 for the world heavyweight championship, Saturday in Chicago.

Einar Forseth, 96, a Swedish artist who created mosaics and stained glass, after a lengthy illness Sunday in Stockholm.

New Fault Risk of L...

Risk of L...

One Under D...

Could Double Chan...

By Sandra Blakeslee
Los Angeles — It is a finding by Southern Californians, geologists have discovered two major, previously unknown faults deep in the state of the most densely populated parts of the Los Angeles area.

The area affected includes the Whittier section, Beverly Hills, Culver City and a complex of oil fields and power utilities near the Pacific Ocean.

The discovery, along with the finding that many as half of all the faults in the Los Angeles area may be underground, has led to a re-evaluation of the risk that a devastating earthquake will eventually occur in the area, said Don Eberhart, director of the seismological laboratory at the California Institute of Technology. Scientists do not know enough about these faults to calculate the actual risk.

Seismology officials, who have been aware of the new findings for some time, said that their planning efforts have long anticipated the possibility of such an event. They said that Los Angeles residents should not be alarmed by the discovery of the faults.

The region's previously known faults, which produce features on the Earth's surface, the faults are "in the basement" and have no visible features at ground level, according to Egil Eberhart, a research assistant professor of geophysics at the University of Southern California.

Mr. Eberhart described the faults as being 6 to 10 miles (10 to 15 kilometers) beneath the streets of Los Angeles.

He is the "first evidence that we have ever had of buried faults beneath L.A.," Mr. Eberhart said in a news release. "Before, we had only had fault locally, the Newport-Inglewood fault, and now we have them."

The San Andreas fault, estimated to have a 60 percent probability of producing a catastrophic earthquake in Southern California within the next 30 years, lies 50 or more miles north and east of the Los Angeles metropolitan area. The San Andreas, which is much larger than the faults in the immediate Los Angeles area, is believed to be producing a much more powerful earthquake.

Scientists believe the newly discovered faults will cause serious earthquakes much less frequently than the San Andreas fault.

Richard Anderson, deputy director of the Office of Emergency Services, who is responsible for overseeing earthquake planning in Southern California, said residents of the Los Angeles area should not be alarmed that officials were urged to cope with potential dangers from the new faults.

Workshops in earlier written reports on seismic hazards, Mr. Anderson and others have noted that the faults lying close to densely populated areas posed special risks. They were warned, for example, that the Newport-Inglewood fault, a 6-mile surface fracture running through an urbanized neighborhood,

By Ronald Smothers
Charlotte, North Carolina — Jim Bakker, the former televangelist, has been indicted on charges of raising as many as \$50,000 contributions from donors for a new television station, more than \$4 million for the station.

The 34-count indictment, returned by a U.S. district court, charges Mr. Bakker with raising money for the station through appeals for money from donors.

According to the indictment, the television station is soliciting contributions from donors.

THE SILK

FOR INSTANT CONF...

KONG 3 7349335

WORLD BRIEFS

Access to Israeli Accounts... (Reuters) — The Swiss government...

Crumbles to End Egg... (AP) — Prime Minister Margaret Thatcher...

Opening of Nuclear... (AP) — The reopening of the only U.S....

End Reflagging of... (AP) — The U.S. Navy's decision to...

Attache Is Slain in... (AP) — A U.S. embassy attaché...

Word... (AP) — A U.S. embassy attaché...

Union Rejects Offer... (AP) — A U.S. embassy attaché...

Well Update... (AP) — A U.S. embassy attaché...

Relax Travel... (AP) — A U.S. embassy attaché...

Relax Travel... (AP) — A U.S. embassy attaché...

New Faults Increase Risk of L.A. Quake

Rifts, One Under Dodger Stadium, Could Double Chance of Disaster

By Sandra Blakeslee

New York Times Service

LOS ANGELES — In a finding that may unsettle the nerves of millions of Southern Californians, geologists have discovered two major, previously unknown faults deep below some of the most densely developed parts of the Los Angeles metropolitan area.

The area affected includes the downtown section, the Wilshire Boulevard corridor, Beverly Hills, Santa Monica and a complex of oil refineries and power utilities near the Pacific Ocean.

The discovery, along with the gradual realization among geologists that as many as half of all the faults in the Los Angeles area may lie deep underground and have yet to be discovered, presumably doubles the risk that a devastating earthquake will eventually occur in the metropolitan area, said Don Anderson, director of the seismology laboratory at the California Institute of Technology. Scientists do not know enough about these faults to calculate the actual risk.

State disaster officials, who have been aware of the new findings for months, said that in their planning they have long anticipated the possibility of such an event. They said Los Angeles residents should not be unduly alarmed by the discovery of the faults.

Unlike the region's previously known faults, which produce features on the Earth's surface, the new faults are "in the basement" and have no visible features at ground level, according to Egill Hauksson, a research assistant professor of geophysics at the University of Southern California.

Mr. Hauksson described the faults as being 6 to 10 miles (10 to 16 kilometers) beneath the streets of Los Angeles.

This is the "first evidence that there are major buried faults beneath L.A.," Mr. Hauksson said in a recent interview. "Before, we had one big fault locally, the Newport-Inglewood fault, and now we have three."

The San Andreas fault, estimated to have a 60 percent probability of generating a catastrophic earthquake in Southern California within the next 30 years, lies 30 or more miles north and east of the Los Angeles metropolitan area. The San Andreas, which is much larger than the various faults in the immediate Los Angeles area, is believed capable of producing a much more powerful earthquake.

Scientists believe the newly discovered faults will cause serious earthquakes in the Los Angeles area, frequently than the San Andreas fault.

Richard Andrews, deputy director of the Office of Emergency Services, who is responsible for overseeing earthquake planning in Southern California, said residents of the Los Angeles area should not worry that officials were unprepared to cope with potential dangers from the new faults.

Nevertheless, in earlier written reports on seismic hazards, Mr. Andrews and others have noted that faults lying close to densely populated areas posed special risks. They have warned, for example, that the Newport-Inglewood fault, a 40-mile surface fracture running through many populated neighborhoods, could rupture gas lines and lead to a fire-storm that might kill and injure more people than would a larger earthquake on the more distant San Andreas fault.

One of the discoveries, named the Elysian fault, begins in Corona, east of Los Angeles. Its 60-mile route runs under Wilshire, where the first segment was detected last year, under Dodger baseball stadium, beneath downtown high-rise buildings, out under Wilshire Boulevard and into Santa Monica Bay.

The second newly discovered thrust fault, named the Wilmington-Torrance fault, runs 40 miles from Newport Beach, under the oil fields at Wilmington, under Long Beach and San Pedro, beneath Palms Verdes and Torrance and out into Santa Monica Bay, Mr. Hauksson said.



Paul G. Kirk Jr. declaring he is leaving the Democratic party post.

Democrats Begin Battle for Leadership

By E.J. Dionne Jr.

New York Times Service

WASHINGTON — Paul G. Kirk Jr. has announced that he will not seek another term as chairman of the Democratic National Committee, setting off a battle over who will lead the party for the next four years.

Mr. Kirk, who was urged to stay by Democratic leaders from all wings of the party but that led by the Reverend Jesse L. Jackson, made his announcement at a Washington news conference where he attributed his decision to personal factors involving family and career.

"It is written in Scripture that there is a season and a time for every purpose under heaven," he said. "Those lyrics capture the spirit of this announcement."

The announcement set off a season of competition for Mr. Kirk's job. Democrats fear a racially charged conflict between moderate-to-conservative Democrats and Mr. Jackson's supporters, most of whom are backing Ronald H. Brown, a Washington lawyer who has long been active in the party.

Senator Lloyd M. Bentsen of Texas, the party's vice presidential candidate this fall, said Mr. Kirk's decision "makes it much more difficult to arrive at a choice without some bloodshed." He added: "Paul was my candidate."

At the moment the candidates for the job are Mr. Brown; Richard N. Weiner, the Michigan Democratic state chairman who could draw backing from many state chairmen; former Representative Jim Jones of Oklahoma, the top moderate-to-conservative contender; and former Representative Michael Barnes of Maryland, a liberal who was closely associated with Michael S. Dukakis's.

Former Representative Jim Stanton of Ohio, who has some support from organized labor, has also expressed interest in running.

But now that Mr. Kirk has withdrawn, Democrats said even more names are likely to surface before the Democratic National Committee votes on a chairman Feb. 9 and 10.

One name being mentioned Monday was that of former Senator Birch Bayh of Indiana, a popular figure in the party.

Nathan Landow, a Democratic fund raiser, has also told friends he may be interested in the job.

Many Democrats had urged Mr. Kirk to stay on to avoid the political twists and turns that choosing a successor would entail.

A friend and once a top aide of Senator Edward M. Kennedy of Massachusetts, Mr. Kirk was originally opposed by party conservatives who thought of him as too liberal. But he proved to be a pleasant surprise for moderate and conservative Democrats.

After his election in 1985 he put an end to the special-interest causes in the national committee and the mid-term miniconventions, which conservatives felt amounted to no more than liberal talkfests.

He persuaded organized labor not to endorse a presidential candidate before the convention and repeatedly attacked liberal "timidists" for candidates.

He was also credited with substantially improving the party's financial standing and his use of technology, which had long lagged behind those of the Republicans.

Mr. Brown and his supporters are increasingly impatient with his being pigeonholed as Mr. Jackson's candidate.

Mr. Brown, who is black, served as a deputy chairman of the National Committee and as a top official of Senator Kennedy's 1980 campaign. When he finally joined the Jackson campaign as convention manager last spring, party regulars, including Mr. Kirk, saw him as a force for party unity within Mr. Jackson's disparate coalition.

"I am concerned about the fact that some of the people who were urging me to go to Jesse Jackson were so pleased about my doing it are now saying that my biggest impediment is that I was associated with Jesse Jackson," Mr. Brown said Monday.

"The triple irony is that when I went to the Jackson campaign, there were a lot of people there saying that I was too much of a party guy," he added.

Mr. Wiener's advantage is his role as president of the Association of Democratic State Chairs. One Democrat, reflecting the view of others, said that Mr. Wiener might emerge as "low-key unity candidate."

Michel Assails House Record on Ethics

By Tom Kenworthy

Washington Post Service

WASHINGTON — Calling the House's record in policing ethical abuses a "national disgrace," Robert H. Michel, the House minority leader, has called for a broad-based reform movement, including changes in campaign financing and a ban on the acceptance of honoraria by lawmakers.

Mr. Michel's comments, which were widely viewed as directed at Jim Wright, Democrat of Texas and the House speaker, came as both parties elected their House leadership teams for the 101st Congress. The Democrats selected Representative William H. Gray 3d of Pennsylvania to be chairman of the party's caucus after a bitter three-way race, making Mr. Gray the first black House member to win a leadership post.

Mr. Gray, who served for the past four years as chairman of the House Budget Committee, defeated Mary Rose Oakar of Ohio and Mike Synar of Oklahoma on the first ballot in the race for the fourth-ranking leadership position.

Three other Democratic leaders were re-elected without opposition. They were Mr. Wright, Thomas S. Foley of Washington, the majority leader, and Tony Coelho of California, the majority whip. Steny H. Hoyer of Maryland became the first lawmaker from his state to win an elected leadership post when he was chosen vice chairman of the caucus.

On the Republican side, Mr. Michel, of Illinois, was re-elected minority leader and Dick Cheney of Wyoming was chosen minority whip, replacing Trent Lott of Mississippi, who was replaced to the Senate last month.

Republicans also elected Jerry Lewis of California to chair their conference, or caucus. He narrowly defeated Lynn M. Martin of Illinois for the third-ranking Republican post, formerly held by Mr. Cheney, winning by three votes on the second ballot after a third candidate, William E. Dannemeyer of California, was eliminated on the first ballot.

As they met Monday, Republicans adopted an aggressive posture toward a Democratic Party that has controlled the House since 1954, reflecting the ill-will many of them feel toward Mr. Wright and his leadership style.

Mr. Michel, for example, urged his colleagues to "let Jim Wright know that this is our House, too," and let President-elect George Bush "hear the sweet sound of good, hard political combat" from Capitol Hill.

Mr. Michel's comments on congressional ethics were seen as a challenge to Mr. Wright, whose financial dealings have been under investigation by the House ethics committee since June.

Mr. Michel also said he would support a Democratic challenger to Mr. Wright's election to the speakership by the whole House in January as well as it was not "frivolous or half-baked."

A Republican aide said Mr. Michel's support for what he called a "coalition speaker" was designed to "smoke out" latent anti-Wright feeling among Democrats, although the aide conceded that it was unlikely that a credible challenge to the speaker would emerge.

Koch-Trump Feud Gets a Refueling

By Howard Kurtz

Washington Post Service

NEW YORK — Developer Donald J. Trump is considering spending \$2 million on television advertisements in which he would urge New Yorkers to oust Mayor Edward I. Koch, according to sources familiar with Mr. Trump's thinking.

Such a campaign would exacerbate the feud between the two and add a new element of volatility to the Democratic mayor's 1989 re-election drive.

Mr. Trump believes his credibility is at its peak and is determined to be a major force in the mayoral race, sources said, adding that he thinks he can be most effective by bankrolling a campaign in which he speaks directly to the camera. Mr. Trump declined to comment on his plans for the 1989 race.

Mr. Koch said that any such attacks would have little impact on the Democratic primary next September. "It would probably add to my vote," the mayor said. "I don't think people like him."

There is little love lost between the two. Mr. Trump's terms for the mayor have included "jerk," "loser" and "idiot." He has called him "incompetent," "a piece of garbage" and "the worst mayor in the history of the city." Mr. Koch has applied "greedy," "piggy" and "lightweight" to Mr. Trump, who he says is a man determined to "stroke his own ego."

While Mr. Koch's political fortunes have ebbed during the last year, his antagonist's renown has reached new heights. Among other things, he has a best-selling autobiography ("Trump: The Art of the Deal"), he bought the Eastern Airlines shuttle operations for \$365 million and he became an adviser to Mike Tyson, the heavyweight boxing champion.

The White House has denied that the Reagan administration had an agreement with the Israeli government to conduct joint covert anti-terrorism operations abroad. The New York Times reported.

On Sunday, The Washington Post reported that an agreement for joint operations was reached in 1985 and that details of the accord had been related by Mr. Nir.

"The president has never executed any umbrella agreement or accord such as the one described in The Washington Post article on Sunday," said Martin Fitzwater, the White House spokesman.

Israeli in Mexico on Business, Aides Say

By Larry Rohter

New York Times Service

MEXICO CITY — A former Israeli official involved in the Iran-contra affair who was killed in a plane crash in Mexico last week was in the country in connection with a private business transaction to buy avocados, according to Mexican and Israeli authorities.

They said Monday that he was not in Mexico as a representative of the Israeli government.

The former official, Amiram Nir, was an anti-terrorism adviser to two Israeli prime ministers and acted as one of Lieutenant Colonel Oliver L. North's main go-betweens in the Reagan administration's arms-for-hostages negotiations with Iran in 1985 and 1986.

Mr. Nir died Nov. 30 when the Cessna T-210 in which he was traveling went down in the state of Michoacan. The pilot of the single-engine plane also died in the crash and two other passengers were seriously injured.

Investigations conducted by federal judicial and civil aviation authorities are continuing. But José Luis Arriaga, a federal judicial police commander in the town of Uruapan, said preliminary information indicated that Mr. Nir had gone to Michoacan to discuss the purchase of avocados from the local subsidiary of an international fruit and vegetable exporting concern.

"He was here for three days, talking about buying avocados," Mr. Arriaga, who headed the initial federal investigation, said. "He left with a price list and said he would be back in a week."

An Israeli Embassy spokesman denied published reports Monday that Mr. Nir was in Mexico to supervise a shipment of arms sold to the Mexican government by Israel.

"It's completely not true," said Israeli Mey-Ami, who was sent to Michoacan to recover Mr. Nir's body.

In Uruapan, Mr. Nir registered at a hotel under his real name, the authorities said. But he traveled aboard the plane using the alias Pat Weber, and his true identity was established only after the crash.

"I don't know why that should be the case," Mr. Mey-Ami said when asked why Mr. Nir was using an assumed name. In response to the same question, Mr. Arriaga said, "He's dead, so I can't ask him why, can I?"

White House Denial

The White House has denied that the Reagan administration had an agreement with the Israeli government to conduct joint covert anti-terrorism operations abroad. The New York Times reported.

On Sunday, The Washington Post reported that an agreement for joint operations was reached in 1985 and that details of the accord had been related by Mr. Nir.

"The president has never executed any umbrella agreement or accord such as the one described in The Washington Post article on Sunday," said Martin Fitzwater, the White House spokesman.

TV Preacher Indicted for Bilking Contributors

By Ronald Smothers

New York Times Service

CHARLOTTE, North Carolina — The Reverend Jim Bakker, the former leader of the PTL television ministry, and a former aide have been indicted on charges of defrauding as many as 150,000 contributors and diverting more than \$4 million for their personal use.

The 24-count indictment, returned Monday in U.S. district court, charges Mr. Bakker and the former aide, Richard Dortch, with making bogus appeals for money from 1984 to 1987.

According to the indictment, the two men deliberately misled contributors and PTL board members in soliciting contributions

amounting to over \$158 million that were not used for the intended purposes.

Mr. Bakker resigned in March 1987 as president of the ministry after admitting to a 1980 sexual encounter with a church secretary.

The indictments charge both Mr. Bakker, 48, and Mr. Dortch, 57, his senior vice president at PTL, with 24 counts of mail fraud, wire fraud and conspiracy.

A separate, 11-count indictment charged a former PTL vice president, David A. Taggart, and his brother, James H. Taggart, with diverting about \$1.1 million from the ministry for personal use and failing to report the income to the Internal Revenue Service.

The charges against Mr. Bakker and Mr. Dortch revolve around efforts to raise funds

to construct the ministry's planned, 2,300-acre (930-hectare) Heritage USA theme park in Fort Mills, South Carolina.

The solicitations in television appeals, mailings and telephone calls sought "lifetime partners" who would pay from \$1,000 to \$10,000 for the guarantee of free lodging once a year at Heritage USA.

According to the indictment, the funds went toward lavish bonuses for Mr. Bakker and his wife. Those bonuses ranged from \$740,000 in 1984 to \$1,055,000 in 1986 when the show's popularity was at its peak. In that same period, Mr. Dortch received bonuses totaling \$550,000.

Mr. Bakker and Mr. Dortch have denied any wrongdoing.

smile You get many smiles at the Palace. PALACE HOTEL GSTAAD SWITZERLAND

The Movado® Sapphire Museum® Watch: A futuristic interpretation of a classic in modern design. MOVADO The Museum® Watch.

THE SILK ROAD PACKAGE - YOU WON'T FIND A BETTER DEAL THIS SEASON IN CHINA. BEIJING SHANGHAI TIANJIN GUILIN Sheraton Little Things Mean A Lot.

Herald International Tribune

Israel Off Course

A month ago — or was it a year? — the Israelis held elections and decided, well, nothing. The voters gave the two big parties almost exactly the same number of Knesset seats and scattered the other seats, the ones that either Likud or Labor would need to form its own government, among the small religious and far-right parties. Likud's Yitzhak Shamir, the prime minister, got the president's first bid to form a government, but could not do it either with the small parties or with Labor. On Monday he was given another three weeks.

A government with Labor and at once to institute the reforms necessary to keep the minorities from whipsawing the majority. American Jews have special reason to endorse President Herzog's words; to head off the prospect that the far right will be rewarded with a law that degrades the religious integrity of the more than 90 percent of their number who are not Orthodox Jews.

Research Roulette

The United States pioneered television, VCRs and computer chips, but in 1986 it imported more high-tech products than it sold abroad. High-definition television will be the next major advance in consumer electronics, but Japanese and European companies are poised to divide the vast American market between them.

dominance from American competitors? Because American economists believe that governments rarely improve on the wisdom of the marketplace. As they note, federal attempts to support particular industries typically lead to fiasco. They cite disasters like the \$4 billion nuclear breeder reactor program, canceled in 1983; the crash synfuels program of 1979; the Department of Energy's horrendous miscalculations in commercial uranium enrichment plants.



Mediterranean: The Crunch Has Barely Started

CAIRO — The pyramids at Giza are crumbling, and chunks of stone have been falling from the Sphinx. Before the end of this century, pollution may have destroyed half of Egypt's fabulous antiquities. Car exhaust fumes are eating away at statues and tombs that have stood since the days of the pharaohs.

The Mediterranean's pollution problems have only begun. At the moment, three-quarters of all pollution in the region comes from industries along the northern coast. By 2025 the picture will change. For instance, car ownership in the 17 countries bordering the Mediterranean will have tripled, to about 150 million. Nine of every 10 vehicles in the region are now in France, Italy or Spain.

on the northern shores will have wrought irreversible damage. What is being done to avert this? A brainstorming conference organized by the Aspen Institute Italia has met in Cairo to review the situation.

If Treaties Are a Bad Joke, So Is Arms Control

WASHINGTON — In calling the use of poison gas in the Iran-Iraq war an "ominous term" that has jeopardized the "normal and legal structures that have held these weapons in check since World War I," President Reagan understated the point. The Iraqi gas attacks not only violated the 1925 Geneva protocol banning chemical warfare, they mocked the very idea of controlling armaments and warfare through treaties.

Moreover, given its impotence in dealing with the illegal use of chemical weapons, it is hard to believe that the international community can deal more effectively with the illegal possession of those weapons. Simply put, such a treaty cannot reasonably be expected to bring about the elimination of all chemical weapon stocks.

There is a price to be paid when bad treaties are promulgated and when any treaty is violated. It cheapens the currency. It promotes disrespect for all treaties, whether dealing with arms control, human rights or protection of prisoners of war.

Other Comment

A Specter Haunts the Empire

A specter is haunting the Soviet empire: the specter of nationalism. Although the immediate causes of the unrest in the Baltic, the Caucasus, in Kazakhstan and elsewhere vary from place to place, they all derive ultimately from the suppression of nationalistic aspirations.

Bhutto Against the Odds

Benazir Bhutto's cabinet has been sworn in and now she can put her moderate policies into practice. Although facing many difficulties, the Bhutto administration must fulfill the people's desire for a new era of stability and democracy. The economy is being hurt by a sharp drop in remittances from Pakistani workers in the Middle East.

Argentines Can Take Heart

Apparently some Argentine officers simply refuse to accept the lesson that the last junta's experience should have taught them: that even the most powerful faction cannot govern effectively for long without genuine public support. And for now the people of Argentina remain on the side of civilians like Raúl Alfonsín.

Other Comment

Need inspiration they need only look to Venezuela, which held peaceful elections the same day Mr. Alfonsín persuaded the rebellious army units to lay down their arms.

There are also other steps to consider, like better tax incentives for R&D. As the Council on Competitiveness recently noted, some of the 700 federal laboratories are not pulling their weight and need to be shut down. Many government activities affect technology, but no one is shaping them to ensure that the effect is positive.

Bush and the Press: A Good Start, With Far to Go

WASHINGTON — Every new American president vows to improve relations with the press, and every four years they seem to get worse. Now George Bush is trying to make peace with everybody.

In Congress, the press was invited to perform this function for the public. Presidents who had no adequate answers or were not adept at answering found other, safer ways of reaching the public. They had researchers, speech writers, even joke writers, and had TelePrompTers that enabled them to make carefully constructed "extemporaneous" speeches.

Mr. Bush knows this better than most. He has been trying to heal the wounds of the campaign, visiting the leaders of Congress, talking to Michael Dukakis, inviting educators and environmentalists to give him their views, reappointing the membership of the cabinet, avoiding provocative ideological disputes and appointing mod-

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1978-1987
KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
LEE W. HUBNER, Publisher
JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ARI, KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Page • JAMES R. CRATE, Business Financial Editor • RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANCIS DESMAISONS, Circulation Director • ROLF D. KRANEPHIL, Advertising Sales Director • KOURT HOWELL, Director, Information Systems

Incorrigibly Independent Outsiders

THE redeeming virtue of the press is its ornerness — its sense of apartness. Especially its determination to keep its distance from government, not only to avoid censorship but to avoid co-optation. The founders of this nation took a gamble that a free press, even when it is irresponsible and unprofessional, is a healthy check on government. But if we are to defend that privilege, we damn well better make it clear we are not part of government.

100, 75 AND 50 YEARS AGO

1838: European News
Italy: Word has been sent round to all the great galleries and museums of Europe to the effect that Raphael's celebrated picture of the "Entombment" has been stolen from San Pietro, in Perugia.
Spain: Senor Castelar is expected in Rome. This visit of the Spanish politician is connected with a new and strong attempt to revive the idea of the so-called "Latin League," a grouping of France, Spain and Italy, and the detachment of the latter Power from the Triple Alliance.

Consensus, Sure, but Also Debate

By Stephen S. Rosenfeld

WASHINGTON — The signs are definitely better than average that George Bush will have some of that elusive bipartisan tonic working for him in the making of foreign and defense policy. But just how much he and the country stand to profit from it is a tougher question.

Mr. Bush and the people he has chosen know that Hill and are known as the first and do not regard it as enemy territory. The president-elect, with his pragmatic streak, is not likely to polarize things as his two more passionate predecessors did.

After 10 Years He Was Sim

By Nicholas D. Kristof
China — China is woeing...
Taiwan — Taiwan's director of...
The Chiang family will...
The Communist Party leader...
The party leader, Wu Jiahua, was...
The party leader, Wu Jiahua, was...
The party leader, Wu Jiahua, was...

After 10 Years He Was Sim...
By Nicholas D. Kristof...
China — China is woeing...
Taiwan — Taiwan's director of...
The Chiang family will...
The Communist Party leader...
The party leader, Wu Jiahua, was...
The party leader, Wu Jiahua, was...
The party leader, Wu Jiahua, was...

OPINION

After 10 Years in the Gulag, He Was Simply Told to Go

By A. M. Rosenthal

MOSCOW — The prisoner from Perm enters the apartment in Moscow, still dressed in the shabby black and gray uniform he has worn for 10 years and one month.

There remains a great deal to be said about how many are left who are yet to be acknowledged and if a society is being created that will no longer throw men and women into years of hell for speaking their minds — or if it is one that simply redefines what words and thoughts are permissible.

ON MY MIND

warden suddenly handed him his release papers and told him he could go.

There was no explanation from the warden. No word of regret for the decade of imprisonment in brutally strict labor camps. Not a mention of the six earlier years of incarceration in psychiatric hospitals where the Soviet government so often locked up those who thought they had the right to argue against the state and thus were judged mad.

Just "Here is the paper, go." It was, by happenstance, his birthday — 52 years since he was born in the town of Bobruisk in Belorussia.

"He is not a member of the intelligentsia, as are so many Soviet citizens who have fought and suffered for freedom in their country. Mr. Kukobaka is a tool-and-die maker. By the time he was 20 he was convinced that the Soviet system which he was born crushed the minds of his people — and was determined that it would not crush his.

"Then this man began to do what he could to oppose the system. All he could do was to say critical things about the government and sometimes put them on paper. So he was put in madhouses. When he was released, he was arrested, imprisoned, re-arrested in prison, convicted again. Years of jail were added to his time of pain.

"For most of the years it has been in power, the government of Mikhail Gorbachev officially denied the existence of political prisoners in the Soviet Union. Now it is releasing many of them. The great triumph of men like Mr. Kukobaka is that the government at last says yes, they do exist.

— The Boston Globe

Mr. Kukobaka is in a special prison camp for "officers" known throughout the gulag as Perm 35, a feared, hard place in the Ural Mountains.

He was in a punishment cell for months with three other men sharing all they had: a few feet of space, the cold and quiet. Among them was Lev Timofeyev, an economist from Moscow who had committed similar crimes of the mind and now speaks and writes and struggles for liberty from an apartment in Moscow.

From Perm 35 Mr. Kukobaka went straight to that apartment. Meat and string beans and beer were put before him, but for some time he could not even touch them.

He did eat some bread, collecting the crumbs in a napkin and swallowing them. What he wanted most was to talk about what had happened to him and how his life had been these years.

His face is gaunt and his skull prison-shaven. There were times he had to fight to control his voice and tears. Those moments came when he talked of what was most bitter to him — even more than the hunger and cold.

They were the trials which he had been subjected. He talked of the anguish of hearing informers testifying falsely, of defense lawyers appointed by the KGB denouncing him, of a courtroom filled with hoodlums.

The mockery of those trials that were the legal justification for the 16 tortured years seemed more than he could bear. He told about the investigator who said enemies of the Soviet Union like him should not be tried at all, just taken out and shot. He said the man's name carefully — Soloviev, Colonel Soloviev of the Vitebsk region of the KGB — before his voice broke.

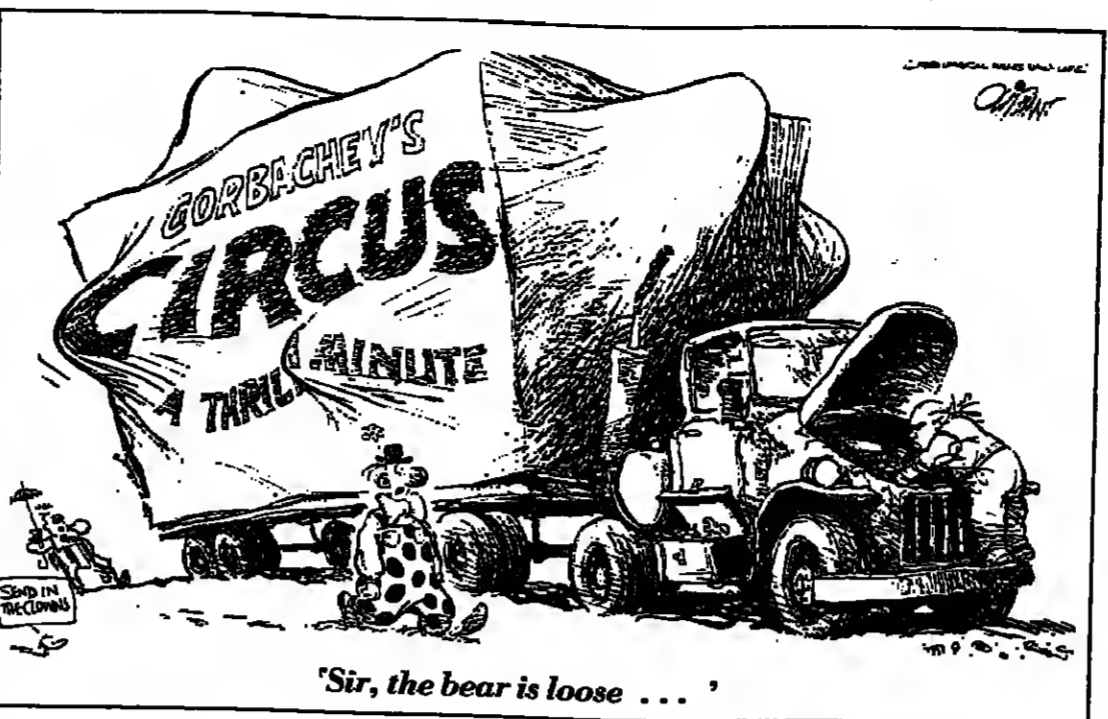
He talked as freed prisoners often do, in detail and quickly, as if the time of solitude could return any moment.

Prisoner Perm 35 managed to follow the news. He said the camp was being painted, jackets knocked off and prisoners given extra food because the word was out that some foreigners might arrive.

And, he said, prisoners are generally hungry as wolves in the forest night. And, he said, he was freed because Mr. Gorbachev wanted to diminish the issue of political prisoners by the time he arrived in New York City.

That seems likely. An excellent gift to the city, the release of prisoners of Perm. Later we can talk about other presents, other prisoners.

The New York Times



LETTERS TO THE EDITOR

Soviet Jews Who Wait

Robert Cullen, in "It's Time for a Quiet U.S.-Soviet Deal on Emigrants" (Opinion, Dec. 1), says that, according to the National Conference on Soviet Jewry, "the number of Jewish refuseniks remaining is down to 2,500 to 3,000."

What the Speaker Said

The opinions expressed by Richard L. Marcus, "German: Speaker Jennings Spoke the Truth," (Opinion, Nov. 23) are based on a profound misunderstanding. Philipp Jenninger's resignation as speaker of the Bundestag was not brought about by his unwillingness to face the truth about Germany's terrible past during the Nazi period.

Wicker, "but he represents reasonably well the kind of nominee the Democrats need" to break the string of presidential defeats.

He further says that "such a candidacy would not be an abandonment of liberalism." Choosing a conservative to head the ticket would not be "an abandonment of liberalism?" Of course it would. The question is whether the party wants to remain the party of principle or the party in the White House. So long as conservatives continue to hold a lock on the Electoral College by control of the South, that question must be squarely faced.

Liberalism Under Attack

Normally I worship at the feet of Tom Wicker, but I must take exception to the last paragraph of his column "A Democrat Who Could Win in '92" (Nov. 21). Senator Lloyd Benison of Texas may be too old for consideration as the party's 1992 standard bearer, writes Mr.

A Razz for Barry

I found Dave Barry's silly article "Things Not to Say to the Matre D'" (Meanwhile, Nov. 22) tasteless.

Richard Patrick Wilson

The contemptible letter by Jack Jolis (Letters, Nov. 1), calling Leonard Bernstein "that pompous old-left fraud" must not go unchallenged. Mr. Bernstein is by far the foremost musician in contemporary America, esteemed and acclaimed worldwide. When Mr. Bernstein, like other illustrious Americans, conspicuously opposed the Vietnam War, it was a brave act to stop an insane fight that squandered the lives of more than 50,000 young Americans.

Margaret Rigal and Rita Eker

Women's Campaign for Soviet Jewry, London.

Kurt L. Shell

It would appear from Forbes Perkins' letter "Jenninger's 'Vile Speech'" (Nov. 23) that he never actually read the speech and is merely reacting to the press coverage of it. Mr. Jenninger was addressing the need, as with cancer, to treat causes, not just deal with effects.

Hans Wilmerdorfer

Rio de Janeiro.

GENERAL NEWS

A Return to the Mainland for Chiang

By Nicholas D. Kristof

New York Times Service

XIKOU, China — China is wooing Taiwan in many ways, but the most startling bouquets are found in this rural hamlet miles from nowhere in eastern China.

The first wink in Taiwan's direction comes at the massive brick gate to Xikou. The inscription honors Chiang Kai-shek, the Nationalist Chinese leader who was defeated by the Communists and fled to the island of Taiwan in 1949.

Never mind that Chiang arranged the killing and torture of thousands of leftists when he fled China from about 1927 to 1949. Never mind that he has been regarded as a villain for nearly four decades on the Chinese mainland and that even in Taiwan he has fallen from favor since his death in 1975.

In Xikou, his hometown, he remains a legend. He is the man who built the main road, the school, the hospital, and who put Xikou on the map.

More important, as Chinese leaders search for ways to reassure Taiwan of their good intentions, they have decided to swallow their pride and use Xikou and its 11,000 inhabitants to honor their erstwhile worst enemy, Chiang.

It is a sign of China's new pragmatism: Only nine years after the Communists stopped shelving Nationalist-held islands, they are paying homage to perhaps the single most odious man in Communist annals. The hope is that this open-mindedness will gradually encourage Taiwan residents to favor reunification with the mainland.

"We hope that the Chiang family will come back to Xikou," explained Chiang Zhongwei, a 27th cousin three times removed from Chiang Kai-shek.

the same clan as Chiang Kai-shek, enabling them to determine relationships easily. Most residents appear to be related in some distant way to Chiang Kai-shek.

These days, Chiang Zhongwei has a new job that makes him a point man in the peace offensive to recapture Taiwan. He is the caretaker of a grand villa that Chiang Kai-shek built to pass the days with his wife, Song Meiling, better known as Madame Chiang Kai-shek.

Chinese leaders have decided to swallow their pride and use Xikou to honor their erstwhile worst enemy.

The villa was destroyed in a Japanese air attack in 1939, but the Communists rebuilt it and last year opened it to the public.

The government is also carefully tending to the Chiang family graves, his birthplace and his boyhood home. The former home of Chiang Chung-kuo, Chiang Kai-shek's son and successor as president of Taiwan, has also been opened to the public.

"Some people think Chiang Kai-shek was good, and some people think he was bad," Wang Shunqi, a local official, explained delicately. "But regarding his legacy here — the school and hospital, in particular — people are grateful to him."

"Whatever else he was, Chiang Kai-shek was a giant," Mr. Wang continued. "Xikou's fame is due to Chiang Kai-shek. And after all, every town wants its sons to become famous."

A year after Taiwan relaxed its rules to allow

some of its citizens to visit the mainland, many Taiwan residents are visiting Xikou. The government has counted 1,100 Taiwan visitors, but many others seem to slip in uncounted.

"We're delighted to come here, because it's so full of history," said one Taiwan resident who was touring with his family but declined to give his name. "I grew up listening to Chiang Kai-shek and Chiang Chung-kuo on the radio, and the people here have the same accent."

Indeed, the thick accent, which is difficult for even many Chinese to understand, is common in the corridors of power on Taiwan. In addition to Chiang Kai-shek and Chiang Chung-kuo, who between them effectively ruled the island from 1949 until the younger Chiang's death early this year, some of their aides also came from the region and held influential positions.

The generalissimo, who banned any contact with the mainland, would be appalled to see the Taiwan visitors photograph each other in front of his old home. He would be even more aghast at plans by some Taiwan residents to open factories in Xikou.

As Taiwan's wages rise and its currency appreciates, many Taiwan manufacturers are moving assembly lines to the mainland, where wages are far lower. Xikou is flaunting its pedigree to try to attract some of this investment, and already one Taiwan investor is designing a \$65,000 factory in Xikou to manufacture incense.

Xikou officials predict that by the end of next year several factories financed by Taiwan residents will be operating in town.

"We will give Taiwan residents preferential treatment, including land and tax breaks," said He Yulin, director of the district government, which encompasses Xikou. "We treat them better than anyone else."

Chinese Party Leader in Tibet Dismissed

Beijing — China has dismissed its Communist Party leader in Tibet and tightened security in an attempt to prevent monks from organizing new anti-Chinese protests in the region, Western sources said Tuesday.

The party leader, Wu Jinghua, was recalled to Beijing and dismissed for failing to stop the simmering revolt in Lhasa, the sources said.

A Communist Party spokesman in Beijing confirmed that Tibet had a new party secretary as of Dec. 1. She named him as Hu Jintao, former party leader in Guizhou Province.

Meanwhile, residents in Lhasa said the city was again tense with armed police circling the Jokhang Temple, questioning people and checking identity papers.

"The policy now is to seek the place with police and infiltrate everything," a Westerner said.

Foreign tourists had had their passports checked and hotel rooms searched, the sources said.

On Wednesday about 40 criminals were paraded slowly through the streets.

However, more than a year after a wave of anti-Chinese riots in Lhasa, the walls of the University of Tibet are daily covered with graffiti depicting Chinese cadres as only interested in enriching themselves, the sources said.

Posters saying "Tibet is independent," "Chinese go home" and wishing the Dalai Lama a long life have frequently appeared around the main square, the scene of past demonstrations.

The Western sources quoted informed Tibetans as saying that more than 100 political prisoners, including at least 30 monks and nuns, had been transferred from prisons inside Tibet to other areas of China.

Monks and hundreds of pilgrims

filled Lhasa's main square outside Tibet's holiest shrine Saturday night and chanted the "Prayer of Truth" in the light of butterlamps, the Western sources said.

Police patrolling nearby did not intervene although the prayer contained lines extorting the "protectors" of Tibet to drive the barbarians of the east from the land of the snows.

Protests against Beijing rule over the poor Himalayan region erupted in October last year, perhaps the bloodiest riots since the failure of a rebellion in 1959 forced Tibet's spiritual leader, the Dalai Lama, to flee across the border to India.

Monks clashed with police again in March and an unknown number were shot or beaten to death.

Western diplomats were unsure what policy changes Tibet's new party leader would bring.

But they noted Mr. Hu was relatively young at 46 and had experience in Guizhou and Gansu Prov-

inces, both poor areas inhabited by minority peoples.

A member of the party's Central Committee, Mr. Hu was believed to be an associate of Hu Yaobang who launched reform policies in Tibet but was dismissed as national party leader last year by party hard-liners.

Mr. Hu was thought to be of Han Chinese nationality. His predecessor, Mr. Wu, was a member of the Yi minority and dubbed by some Chinese in Lhasa "the lama secretary" for posing for pictures with monks in Buddhist costume.

U.K. Seizes Cocaine on Boat

Newport, Wales — Cocaine worth £1 million (\$1.86 million) has been seized on a banana boat that arrived here from Colombia, a customs spokesman said Tuesday.

Advertisement for Super Lottery. Features a large graphic of '\$2,000,000 TO WIN EVERY WEEK!' and 'THE \$48, MILLION Super LOTTERY...'. Includes details about the lottery, how to play, and a table of game options. The table shows 5 games with various prize amounts for 12, 26, and 52 weeks. A large graphic at the bottom says 'YOU PICK 7, THE LOTTERY PICKS 11'.

Labor Party Is to Reconsider Coalition Talks With Likud

By Joel Brinkley
New York Times Service
JERUSALEM — Just 24 hours after saying he was resigned to entering the opposition, the Labor Party leader, Shimon Peres, said Tuesday that he had called a meeting of the party's Central Committee to vote on reopening coalition negotiations with Likud.

Mr. Peres announced his decision Tuesday morning after breakfast with President Chaim Herzog, who is urging the two parties to form a coalition government because, he said in a speech Monday night, he feels "helplessness, humiliation and shame as well as grave concern," watching the "disgraceful" coalition negotiations.

Mr. Peres said Mr. Herzog "explained to me what appears to him to be a very serious situation and a very difficult one for the country so that we have to draft all our forces in order to establish a wide government."

Prison Camp in Israel Assailed by U.S. Group

By Glenn Frankel
Washington Post Service
JERUSALEM — A report by a panel of American jurists asserted Tuesday that Israel's military prisons for Palestinian detainees in the West Bank and Gaza Strip violated international law and should be closed because of its location and its "crowded, inhumane living conditions."

The panel also accused Israel of impeding the work of Palestinian human rights advocates in the occupied West Bank and Gaza Strip by detaining without charge or trial civil rights workers and defense lawyers. It said such detainees should be charged or released and urged an investigation into allegations that they had been intimidated and physically abused.

Mr. Peres and other party leaders said the 1,300-member committee would probably approve the request, even though the party bureau, a smaller body of senior officials, narrowly voted to end coalition negotiations just a week ago.

Prime Minister Yitzhak Shamir would agree to talk with Labor, if Labor's Central Committee approved, a senior aide to Mr. Shamir said.

On Monday, when asked about renewed coalition talks with Labor, Mr. Shamir said: "I have already invited them, and they have refused to join my government. I will not do more."

But on Tuesday, Mr. Shamir said nothing about the Labor meeting that is to take place on Thursday. A senior aide to Mr. Shamir's office said, "he feels so badly burned by Labor that I think he wants to wait and see if this passes through the Central Committee."

In the meantime, he added, Mr. Shamir "will continue attempts to solidify a narrow coalition government of the religious and extreme right-wing parties."

From the Likud point of view, Labor took advantage of the last coalition invitation Mr. Shamir offered and used the time Mr. Shamir gave to consider his offer to woo away Agudat Israel, one of Likud's coalition partners.

That infuriated Mr. Shamir, and on Sunday he said he was unlikely to consider reopening negotiations with Labor.

In recent days, various religious and rightist parties have demanded control of the same ministries and threatened to back out of talks with Likud if their demands were not met.

Tens of thousands of Israelis have been calling for a new national unity government that excludes the religious parties.



Arafat to Meet American Jewish Delegation
Yasser Arafat being greeted by Foreign Minister Sten Anderson on the Palestinian leader's arrival in Stockholm on Tuesday to confer with a group of American Jews. Israel refuses to talk to the Palestine Liberation Organization, which Mr. Arafat leads, and has urged its U.S. supporters not to do so.

Greece Releases a Suspected Abu Nidal Terrorist

By Paul Anastasi
New York Times Service
ATHENS — The Greek government reneged Tuesday on an agreement with Italy to extradite a Palestinian wanted in connection with the 1982 attack on a synagogue in Rome and instead deported him to a country of his own choosing, reportedly Libya.

It also said the decision was justified by the Palestinians' recent declaration of an independent state and their renunciation of terrorism.

"The actions for which he was accused fell within the domain of the struggle to regain the independence of his homeland and consequently suggest action for freedom," Justice Minister Vasilis Rouis said to explain his decision.

This referred to a recent law that prevents extradition "if the Greek government believes that the said terrorist is fighting for freedom."

The Palestinian, Abdel Osama Zomar, 27, who is suspected of belonging to the terrorist Abu Nidal group, was deported early Tuesday morning after having spent 40 months in jail.

In the attack on the Rome synagogue, a 2-year-old boy was killed and 34 others were injured.

The justice minister said the decision to deport Mr. Zomar was approved by Prime Minister Andreas Papandreu and Foreign Minister Karolos Papoulias.

A Greek police official said the Palestinian left for Libya aboard an Olympic Airways plane.

Mr. Zomar was arrested at the Greek-Yugoslav border in November 1982 and was sentenced to 20 months' imprisonment on charges of illegal possession of arms and explosives.

Bonn Reports Release Of Radioactive Steam

New York Times Service
BONN — Government officials have reported an incident at an atomic power plant near Frankfurt last year in which radioactive steam was released into the atmosphere.

Officials said that the amount of radioactivity was below danger levels and that there was no risk of a meltdown of the reactor's core.

The report, and particularly the fact that it had not been made public sooner, prompted a political dispute in Bonn. Members of the Free Democratic Party, the junior partner in the government coalition, and the opposition Social Democrats and Greens Party called for an investigation.

At a news conference Monday, Klaus Topfer, the minister responsible for the environment and for the safety of nuclear reactors, said the proper supervisory agencies had been informed. He said it was not unusual that such an episode had not been publicly reported.

He said the incident, which took place in December of last year at Biblis-A, a 1,200-megawatt reactor, had been upgraded to a danger rating of urgent in September. It initially received a rating of normal from plant operators.

There are on average 12 incidents a year listed as urgent in West Germany, and 400 so-called normal incidents, the minister said. The highest danger rating, immediate, has never been given.

The Frankfurt incident was reported by the American nuclear affairs journal *Nuclear Week*, which noted that in some cases it could have led to a meltdown of the reactor's core.

Werner Hlinbeck, an official of the utility that operates the plant, said "At no time was there the danger of a meltdown." But he added, "We do not consider this to be a small matter."

Adolf Birkhofer, chairman of the Commission for Reactor Safety, said the incident was a result of human error when the plant was switched back on after a four-day shutdown.

A valve in a primary cooling system was not closed when the reactor was restarted. Although this registered immediately as a fault, operators noticed it 15 hours later. An attempt was then made to close the valve by manipulating the pressure on it by slightly opening a second valve, allowing a release of radioactive steam for as long as five seconds. But the maneuver failed and the plant had to be shut down.

At a news conference Monday, Klaus Topfer, the minister responsible for the environment and for the safety of nuclear reactors, said the proper supervisory agencies had been informed. He said it was not unusual that such an episode had not been publicly reported.

He said the incident, which took place in December of last year at Biblis-A, a 1,200-megawatt reactor, had been upgraded to a danger rating of urgent in September. It initially received a rating of normal from plant operators.

There are on average 12 incidents a year listed as urgent in West Germany, and 400 so-called normal incidents, the minister said. The highest danger rating, immediate, has never been given.

U.S. Will Attend Debate on PLO

WASHINGTON — The United States will attend a UN General Assembly debate on the Palestinian question in Geneva next week despite its having recently rejected a request for a visa for PLO's chairman, Yasser Arafat, the State Department said Tuesday.

The denial of a visa that would have enabled Mr. Arafat to address the assembly at United Nations headquarters in New York prompted the change of location for the session, now set for Switzerland.

"Despite all the turmoil on this question of the visa, that has nothing to do with our regard for the Palestinian issue," Charles Redman, a State Department spokesman, said at a news briefing.

"We believe the debate in Geneva will be an important one," he said, "and we'll be there."

NOW AVAILABLE THIS SPACE FOR YOUR AD

ATTENTION EXECUTIVES

Publish your business message in the International Herald Tribune, where more than 3 million of a million readers worldwide read it every day. It is the only newspaper in the world that is read in 100 countries. It is the only newspaper that is read in 100 countries. It is the only newspaper that is read in 100 countries.

BUSINESS MESSAGE CENTER

BUSINESS OPPORTUNITIES COMPANY FORMATION U.K. & WORLDWIDE <ul style="list-style-type: none">• Nominal Services• Company Administration• Corporate Restructuring• Business Advice• Personal & Corporate Tax• Consultancy• Accountancy READY MADE CO'S Franchisees from available worldwide	BUSINESS OPPORTUNITIES SAFETY, SECURITY & DEFENSE RELATED PRODUCTS & SYSTEMS Agents for and users' media life every for yourself. Over 1,000 products and systems in our portfolio from over 20 countries. Low investment prices. A variety of expertise. Deal directly with factories, no intermediaries, find out about this new service. Rapid response to orders. Try us out for size. Contact: INT'L ARMOURSHIELD LTD 2082 Tomeside, West Germany Tel: 49-431-2611 32169 Tel: 2162714 US D Tel: 49-430-32003	BUSINESS OPPORTUNITIES OFFSHORE COMPANIES <ul style="list-style-type: none">• Free professional consultation• Worldwide incorporation• Immediate availability• Full confidential services• London representation• Full administrative services Atton Company Formation Ltd. 19 Park Rd, Douglas, Isle of Man Tel: 0624 26591, fax: 06291 4510 Fax: 0624 25216	BUSINESS OPPORTUNITIES INTERNATIONAL OFFSHORE COMPANY INCORPORATIONS FROM US\$150 Comprehensive professional services include: <ul style="list-style-type: none">• Incorporation• Representative offices• Powers of attorney, telegraphs• Bank and forwarding agencies• Confidential advice• National House• Solicitors, Isle of Man Phone: 0624 824555 Tel: 028252 Island Co. Fax: 0624 825949 CRUISES Available from top European destinations for projects in Europe, USA, Canada, etc. Minimum \$24,500. Call: COLLETT 25, CH-1099 Pully, Switzerland. Tel: 021 28 17 33.	BUSINESS OPPORTUNITIES OFFSHORE & UK LTD COMPANIES Incorporation and management in UK, USA, Canada, etc. Minimum \$24,500. Call: COLLETT 25, CH-1099 Pully, Switzerland. Tel: 021 28 17 33.	BUSINESS OPPORTUNITIES A SUBSTANTIAL UK COMPANY Wants to expand its research based financial services including foreign exchange, portfolio management and investment services in financial markets. Excellent career opportunities for those with a business orientation in the City. Call: 01-433 16 09	BUSINESS OPPORTUNITIES EXOTIC AUTO DEALERSHIP Porsche, Ferrari, Range Rover, etc. High quality pre-owned European cars. Excellent profit margins. Fully imported Motor Cars Inc., 413 East Atlantic Blvd., Pompano Beach, FL 33062. Tel: 305-940-8400. Fax: 305-785-8020. English & German spoken-call Mr. S. George.
--	---	---	---	---	---	--

FOR MORE INFORMATION CONTACT:

PARIS: (1) 46 37 93 82 — LONDON: (1) 836 38 02
NEW YORK: (212) 752 39 90 — FRANKFURT: (69) 72 67 55
HONG KONG: (8) 861 06 16 — SINGAPORE: 223 6473
or your nearest representative.

COMMERCIAL/INDUSTRIAL REAL ESTATE

RENTALS

FOR RENT - USA
NEW YORK CITY VICINITY
7 miles by PATH TRAIN to Midtown Manhattan & World Trade Center

2 OFFICE BUILDINGS
1) Hoboken, New Jersey, 18,255 sq. ft. Office space starting at 1,000 sq. ft. Office space.

2) Jersey City, New Jersey, 12,534 sq. ft. Office space.

Magnificent U.S.A. Facility

Unisys Corporation has a building to sell or lease. The merger that formed Unisys also produced a surplus of facilities.

For sale or lease is a 248,000 square-foot building on a 40-acre parcel of land. The building is state-of-the-art and situated in a campus-type setting in suburban Minneapolis/St. Paul, Minnesota. This central U.S.A. location is adjacent to the Interstate highway system and only minutes from the Minneapolis/St. Paul International Airport.

Special Features:

- 50,000 sq. ft. of executive and support office space
- Full-service kitchen and dining facility
- Multi-media presentation center
- 50,000 sq. ft. of laboratory area
- Many high-tech operating and security features

The price for this 1983 facility is only \$20 million, less than half of what it would cost to build now; lease terms and full offering details are available on request.

CURRENCY FORECASTING: STAYING AHEAD OF THE GAME

Currency Confidential is a weekly forecasting service for dealers, exporters and investors. It shows you how and when to buy and sell foreign currencies to maximize your profits and minimize your losses.

CAR ALARM CLEARANCE 88-89 STOCK MUST CLEAR

Removal from 25,855. Manual from 11,825 with built in 1200B alarm. Simple removal in small quantities. Contact: Car Alarm Co. Ltd., 21, 23 & 25, The Arcade, London W1P 0JH. Tel: 01-733 7233 Fax: 01-733 7727.

FINANCIAL SERVICES

SAGAM CORP
Global Money Management
Currency Trading and Fixed Income
Equities and Venture Capital
Guaranteed Investment Plans

INTRIGUING RISK-REWARD FEATURES
Safety and Confidentiality
342 Madison Avenue, Suite 1708
New York, NY, 10173
Tel: (212) 972-3277; Fax: (212) 972-0023

YOUR ADDRESS IN PARIS

Mail forwarding, telephone service, fax, car, desk and meeting room.

CAP ELYSEES 25 rue de Flandre
75008 Paris. Tel: 468.883.
Tel: 1-43 59 04 04. Fax: 1-42 25 82 79

NEW YORK EAST HAMPTON, L.I.

Own the finest commercial real estate in the preferred village business district. 26,000 sq. ft. of prime retail space. Property consists of three level shops & a corner 2nd floor office space. All with parking. \$4,500,000.

FOR MORE INFORMATION, CONTACT: Cummings Group Inc.

INTERNATIONAL REAL ESTATE CONSULTANTS

Keith Murray Cummings, President
308 E. 51st Street, New York, NY 10022
(212) 486-3100 Fax: (212) 486-3150

INTERNATIONAL GEMMOLOGICAL INSTITUTE

CERTIFICATES ACCEPTED AND RECOGNIZED ALL OVER THE WORLD

ANTWERP NEW YORK

ONE WEEK INTENSIVE DIAMOND AND COLORED STONES COURSES

TO ALL COMPANY DIRECTORS

Turn your unused stock into immediate cash. We will purchase your shares of stock, large or small, large lots available. All equities traded on the New York Stock Exchange. Contact: 1-800-747-2015

YOUR OWN COMPANY IN SWITZERLAND

CH-6000 Zug, Tel: 0041-41-270-20-88
Fax: 0041-41-270-20-89

A Present For Your Son?

Hard to Borrow? Guarantees Provided

We do not make loans
Minimum: \$100,000
TERMS: 5 - 20 YEARS
THE FUNDING ASSISTANCE CORP
USA (212) 715-9400
Tel: 912-204-9519 Telex: 945140 SUO

Reaching More Than a Third of a Million Readers in 164 Countries Around the World.

SALE BY AUCTION

of the Palais du Tribunal de Commerce de PARIS on Thursday 15/12/1988 at 2 p.m. of a FURNISHING and DECORATIVE BUSINESS IN PARIS 1st 15 rue des Haies and 9 rue des Dechargeurs, ind. the right to lease the premises.

STARTING PRICE: (can be lowered) 1,000,000 F. Deposit to bid 100,000 F. by certified cheque. For further information contact Mr. DURAND and JOUON, lawyer in Paris 2nd, 10 rue Daniel-Cosmao. Tel: 42 61 36 60.

Mr. CARRASSET MARILLER, Mandatory Liquidator in Paris 1st, 10 rue Barin-Porte and for visits on the spot on 5 and 12 December 1988 from 3-5 p.m.

FOR BANK GUARANTEES

letters of intent, standby letters of credit etc. Viable loans and venture capital. Shipping loans a specialty

HERALDMARK LTD
16, Sherrington, St. Johns Wood Park, London NW8 8DX.
Fax: 01-586-6441 - Telex: 929746
Tel.: 01-586-4119

FOR SALE

40 Apartments in Hong Kong. West on Beach. Prime location. Room for Expansion. Broker: Participating Deal. Contact: A.W. Atkinson, P.O. Box 1, Broom's Barn, Cambridge, UK. Tel: 0223 442124. Tel: 0223 442124.

PARIS-OPERA PRESTIGIOUS & EFFICIENT BUSINESS OFFICE

Call: 01-42 42 42 42
Fax: 01-42 42 42 42

YOUR ATHENS OFFICE

Executive Services, Admin. Support, etc. 99-1152 Athens, Greece. Tel: 776222
Tel: 21422 8332, Telex: 776999
Executive Offices and Business Centre

Share of New Casino opening in Europe is offered to investors.

Please contact:
Ted Bell,
London 799 3550
for details.

STANDARDS CONVERSION

Transfer of data recordings between American (NTSC) European (PAL) French (Secam) and Brazilian (PALM)

TRANS ATLANTIC VIDEO SERVICES
Established 1977
2727 G ST. ARLINGTON, VA 22206
Tel: 01-553-2015 Fax: 01-553-2164

PARIS-OPERA PRESTIGIOUS & EFFICIENT BUSINESS OFFICE

Call: 01-42 42 42 42
Fax: 01-42 42 42 42

The Daily Source for International Investors

Specialized Services

Computers

The United States is ahead in developing supercomputers capacity of the supporting work essential for using the machines most effectively behind.

Communications

A consortium of computer led by Compaq says it will develop a personal computer based hardware standard — a challenge to IBM's attempt to market with its Micro architecture.

Development

The first privately financed satellite for Asia will be launched in 1990, narrowing the communication gap between the area's developed and developing nations.

Carbon-carbon composite

that gets stronger as it gets hotter and retains its shape, already tests the nose of the U.S. space shuttle applications may soon be replacing human bones during the environment from

Technology Telecommunications

Data System Heralds Revolution for Radio With Digital Tuning

By Robin Herman

PARIS — In the communications revolution that has transformed televisions into video bouzouqs and telephones into information banks, the radio stands out as a lone antique.

Frustrated listeners twiddle knobs up and down the dial searching in the jungle of sound for their favorite station. Drivers hear the news fade in and out as they travel between one transmitter and another. A space of soothing music is suddenly followed by a heavy metal rock band, and only then do you realize you have the wrong station.

But a radical change in the way listeners use radio is already in the air. Over the past year, Europe's major radio stations, led by the British Broadcasting Corp., have begun

The radio revolution is being led by broadcasters who see the new system as vital to keeping the loyalty of listeners as radio bands become more crowded. The revolution awaits the electronics manufacturers.

More than a dozen major companies, including Philips, Grundig, Sharp, Blaupunkt, Hitachi and Ford, have RDS car radios in the works and plan to put the products on the market by this spring.

RDS receivers are already available as an option in all Volvos at a cost of about £600 (\$1,080), but prices are expected to drop sharply after the new technology becomes established. Volvo came out ahead of the pack because it already had a car radio with a microprocessor tuning system that can scan 10 preprogrammed frequencies for several stations.

Volvo worked closely with Swedish Telecom to adapt the radio to an RDS system. With RDS, the closest transmitter continuously "informs" the radio which frequencies are available for a given station. There is no preprogramming.

Other manufacturers have mentioned a price about half as expensive. Sharp, for example, will have two RDS car radios on the market in Britain in February at £249 and £239.

The RDS system "cads the confusion of radio," said Mark Saunders, RDS development manager for the BBC. "It's making radio as easy to use as television."

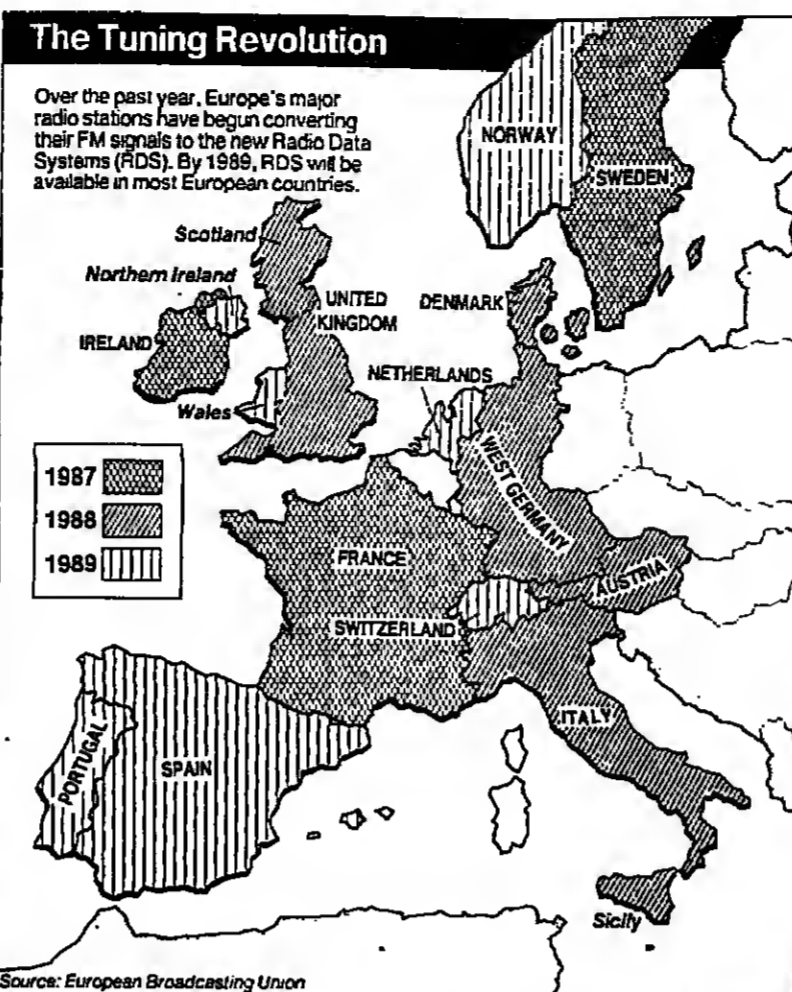
The RDS system was developed over the course of 10 years by a team of BBC engineers in collaboration with Swedish Telecom and the West German broadcasters research association. The European Broadcast Union formally endorsed the system in 1984. The signal has been standardized in Europe so that RDS receivers will be able to "understand" the information broadcast by all stations.

RDS will be especially useful to the BBC for use in Britain, where more than 100 transmitting stations are needed to provide the country with BBC network radio services.

The BBC national networks have begun to program fancier features. Tests of the travel service will begin in the spring. The BBC World Service is primarily broadcast on AM frequencies and will not be affected by the RDS technology.

Mr. Saunders said the BBC was able to convert its transmitters to the system for about £1.2 million, a "rather cheap" investment, he observed, considering it need only be done once and can transform the nature of radio service. The RDS signal is sent out at a frequency of 57kHz and does not interfere with existing mono and stereo signals.

Radio France converted its Franco Inter



network to RDS a year ago and, taking advantage of the digital signal, equipped it with a radio-paging service that can "beep" a motorist or a pedestrian with a pocket pager to alert him to call the office or home. A caller dials a central number and a receiver unit's code, which is then relayed as a signal through the RDS system's transmitters and on to the receiver.

Sweden, West Germany and Austria also have begun RDS broadcasts, while other European nations are in the testing stage. Industry sources say that the United States and Japan have shown keen interest in the system but have not started any RDS broadcasts.

A typical RDS radio is equipped with a set of numbered buttons that the listener can easily program to call up a favorite station. A rocker button scans the dial, displaying the name of each station until the listener chooses one for a particular button to "remember."

On car radios, drivers can press a separate button marked "Travel." Radio programs and cassette listening then will be automatically interrupted whenever there is a traffic bulletin warning of backups, accidents or slick roads ahead.

The RDS radio essentially "knows" where the car is located geographically because it is tuned into the closest transmitter for the station requested. When traffic bulletins for the region around that transmitter

are flashed by local stations the news comes to the motorist even if he is listening to a national station, temporarily breaking into the ongoing transmission. West Germany, Switzerland and Austria have travel news available. Sweden is currently testing such a system.

The radio can also be instructed to tune in later to a particular scheduled program, for example, an educational program broadcast overnight that the listener would like to record. This is possible since the RDS continuously transmits an accurate time signal derived from national time standards. Each program carries an identification code with a time element.

Future uses are limited only by imagination. The digital signal will allow a broadcaster to send data to computers and printers hooked up to an RDS set. A cooking program, said Mr. Saunders, "could send a recipe to a printer at home. After a gardening program, the broadcaster could send a list of all the plants mentioned and where to get them." A radiotext feature would allow a message of up to 64 characters to be displayed by an RDS receiver that could give, for example, the name of the program, the title, composer and date of the symphony being broadcast, or a telephone number for call-in shows.

ROBIN HERMAN is a journalist based in Paris.

Europe on Leading Edge Of Mobile Phone Changes

By Robert Bailey

LONDON — The mobile telephone, for long considered to be a rich man's toy, has been in use since the mid-1950s, but only in the last few years has it become an everyday item with users. Yet, even five years ago, it would have been hard to believe that mobile telephony could have achieved such acceptance.

But what is seen today is still only the beginning of things to come. New systems, based on digital technology, are being developed that will produce more compact, and increasingly less expensive, equipment for both network operators and subscribers. Instead of being an oddity, the mobile telephone will become a commonplace piece of equipment in taxis, trains and aircraft as well as in the hands of a growing number of individuals.

And the thrust of development is coming not from North America or the Far East but from Europe. A revolution is taking place in European mobile telecommunications that is characterized by a high degree of cross-border cooperation.

Parallel developments that are taking place in other aspects of mobile telecommunications, including paging and, in particular, cordless telephones, point to significant changes in the way telephones are used. Within a comparatively short time, many people will be carrying their telephones to work, as a new generation of cordless telephones replaces existing ones that are limited to specific locations because of their limited analog technology.

Because the new specifications employ digital transmission techniques and an advanced coding procedure, the nonphones will each have a unique identity. A subscriber will be able to make calls away from home, though not receive them, via special public base stations.

In Britain, where tens of thousands of these small link points are expected to be installed in railway stations, airports, pubs, etc., users will be able to make calls if they are within 200 yards (182 meters) of one of these base stations. Calls will be logged by computer and charged to the person's account.

At around £150 (\$270) to £200, the cost of the new phone will be much lower than cellular phones and potentially attractive to a wider clientele. First licenses for the new system are expected to be announced within weeks by Britain's Department of Trade and Industry. This will allow services to begin in the first quarter of 1989.

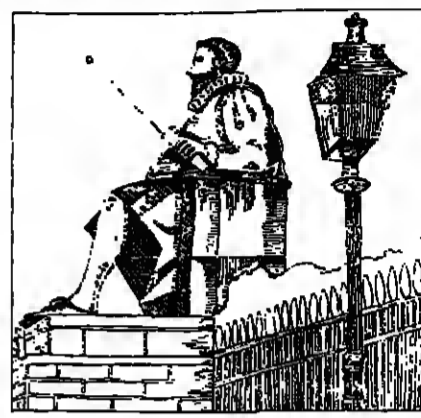
If, as predicted, the new cordless system does take off, there could, according to some estimates, be up to three million subscribers in Britain and seven million in the rest of Europe by the early 1990s. Used in conjunction with a pocket pager that might be integrated with the phone, the new cordless sets could prove to be an extremely cost-effective tool for business and professional users.

Paging is another part of the mobile market that is growing, notably in Britain, which has about 500,000 subscribers served by six network operators. A Europe-wide system that is expected to be operational by the end of 1989 will also boost the market and allow a person to be paged anywhere in Europe. It is projected that 5 percent of Western Europe's population

could be using some form of a paging system in the next 12 years.

While the new cordless phones are likely to attract most attention in the mobile arena during the coming months, by far the most significant technical advances are being made in the development of the Pan-European cellular network.

Based on digital technology, the planned network will operate to common standards across the continent, allowing the same mobile phone to be used for national and international calls whether from Paris, London, Milan or Stockholm. The network will also provide European manufacturers with the scale of



RDS, an inaudible signal, will make tuning precise and automatic.

converting their FM signals to the new Radio Data System, or RDS, that will make radio tuning precise and automatic at the touch of a button.

The RDS is an inaudible signal broadcast along with the regular FM transmission. It carries a stream of digital information including the station's identity. Radios equipped with an RDS decoder chip can find the station a listener wants, tune to the frequency providing the best reception, and automatically retune frequencies if the radio happens to be in a moving car. The listener does not need to know the frequency number of the station, just the name of the station.

Moreover, the digital nature of the signal opens the door to a range of other uses. RDS radios will be smart enough to scan the dial for the type of music requested, display the name of the station being heard, interrupt the program with local traffic bulletins as the motorist travels across the continent, give the bulletins in his native language no matter what country he happens to be in, and provide a digital display of the time.

Mr. Saunders said the BBC was able to convert its transmitters to the system for about £1.2 million, a "rather cheap" investment, he observed, considering it need only be done once and can transform the nature of radio service. The RDS signal is sent out at a frequency of 57kHz and does not interfere with existing mono and stereo signals.

Radio France converted its Franco Inter

Mr. Saunders said the BBC was able to convert its transmitters to the system for about £1.2 million, a "rather cheap" investment, he observed, considering it need only be done once and can transform the nature of radio service. The RDS signal is sent out at a frequency of 57kHz and does not interfere with existing mono and stereo signals.

Radio France converted its Franco Inter

Progress needs concerted action by the chemical and electronics industries.

Dialogue and cooperation — interdisciplinary efforts which go beyond the conventional frontiers of existing knowledge and technologies are essential requirements for progress. It is often the interlinking of knowledge and ideas from different fields which opens the door to new, multi-disciplinary solutions to problems.

would have been impossible without chemical research. BASF has played its part in this development with achievements often made in close cooperation with electronics companies. For instance, we supply chemicals used for the manufacture of microchips; special polymers for printed circuit boards; photo-resists for the manufacture of printed circuits; and materials for protecting highly sensitive electronics components.

The utilization of intelligent electronics is essential for problem solving in our areas of operation. Powerful computers are used to search for new active substances in medicine. Laser technology employing fibre optics open-

ing the way to new processing techniques for the improved dosage control of vitamins. New biotechnological processes operate by means of intelligent electronic control, and computer-aided design helps to extract the maximum benefit from the possibilities offered by new construction materials.

BASF's knowhow in chemistry and electronics is only part of what makes us a worthwhile partner for our customers throughout the world in their search for new solutions to manufacturing problems.

Our multidisciplinary approach enables technical problems to be viewed through a far wider spectrum giving greater possibilities than could otherwise be achieved. They go far beyond the initial problem and stimulate new thought in people who are working in a wide variety of disciplines over an extensive range of products and markets.

BASF Aktiengesellschaft · D-6700 Ludwigshafen

The Spirit of Innovation.

BASF

ns Gap

bilian acquires television sets at the rate of 1 million a year. As a measure of the potential of the China market, AsiaSat executives say Canada owns or leases 80 transponders to supply power to 15 million television sets.

Bangkok's recent decision to launch a domestic satellite may hurt AsiaSat's opportunities in Thailand. But when the government asked for bids from potential joint venture partners, AsiaSat responded with a proposal that would guarantee Thailand a number of dedicated AsiaSat-1 transponders. Authorities are considering the proposal.

Of the three countries targeted by AsiaSat, Pakistan has the most primitive telecommunication network. But the satellite's powerful beam will enable Pakistan to broadcast to remote rural communities via a network of small, low-cost dishes. AsiaSat executives point out that certain components of the stations can be manufactured locally, stimulating the domestic low-technology industry.

When asked about AsiaSat's plans to create a network of stations for Africa, which will provide satellite power for use in Asia through the year 2000, the executives said AsiaSat may be in a position to challenge Intelsat for a piece of the international telecommunication market.

COLEEN GERAGHTY, a Toronto-based reporter, is a regular contributor to the International Herald Tribune.

to Boeing and Canon is deposited in a trust account to be used for research.

① The plan is to build a network of stations in the tropics of many gas here and a network of stations in the tropics. What remains is a network of stations in the tropics.

② The plan is to build a network of stations in the tropics of many gas here and a network of stations in the tropics. What remains is a network of stations in the tropics.

③ The plan is to build a network of stations in the tropics of many gas here and a network of stations in the tropics. What remains is a network of stations in the tropics.

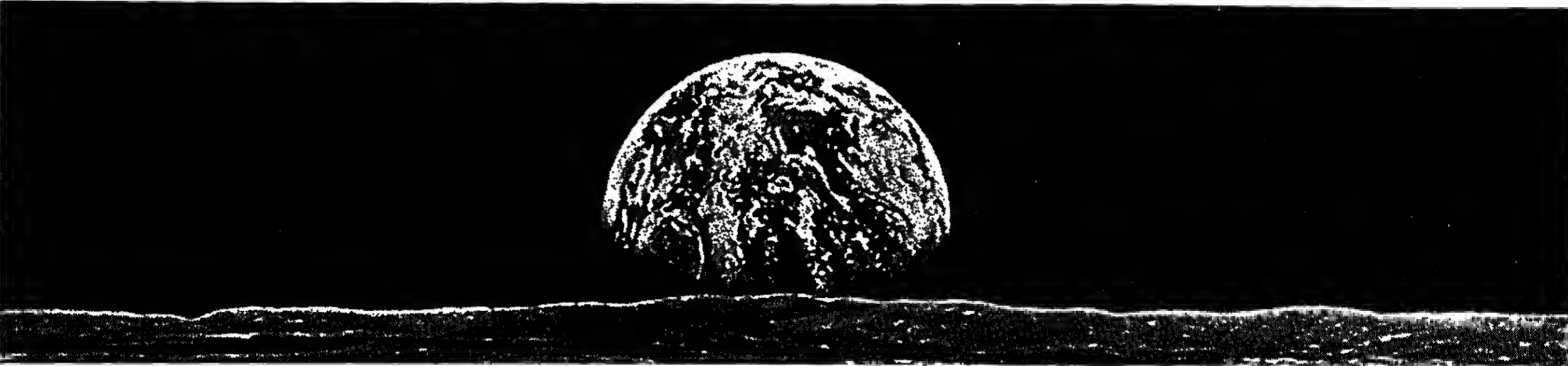
new carbon fiber and other materials that are necessary for the development of a new type of fiber optic cable.

challenge

The challenge is to build a network of stations in the tropics of many gas here and a network of stations in the tropics. What remains is a network of stations in the tropics.

e in TV Clo

Come see how we view the world.



It's an inspiring sight. Governments and private companies everywhere, processing and communicating information with ease and efficiency. Distances between people and places reduced to microbursts of light.

We are NYNEX, a world leader in telecommunications and information processing. And our vision of this possible world takes very practical forms today.

We are the source for advanced products like Centrex, the computer-controlled telecommunications system, ISDN, protocol conversion and international banking applications. We offer everything from computer networks and software to the capabilities of

our two telephone companies, New England Telephone and New York Telephone.

Some very practical customers are making use of all this expertise. Such as major telecommunications companies in England, France, the Netherlands and Japan. Nearly 500 international banks with U.S. operations. And over half of the *FORTUNE* 500.

So if you want world-class assistance in designing your private or national telecommunications network, do one thing this December 6 through 9 in Amsterdam:

- Visit NYNEX at EUROCOMM, Booth H-162.

We think that you're going to like what you see.

Need to communicate? Need to compute? The answer is



Technology Developments

Japanese Scientists Place New Emphasis On Basic Research

By Dana Lewis

TOKYO — At a research facility in the Tsukuba science city, north of Tokyo, Japanese scientists use the 30-billion-volt energy of the world's most powerful electron-positron collider to break atoms apart into their component particles.

The collider, the centerpiece of the government-funded High Energy Physics Research Laboratory, draws scientists from around Japan and the world in search of fundamental knowledge about the nature of matter.

"It's a means of demonstrating Japan's arrival in the field of basic research," said a U.S. official in Tokyo, who declined to be identified. "Very little applied research is going to come out of it. The real questions are, 'Will we discover new particles, and will we get the Nobel prize?'"

Those are questions very different from what the world's scientific community has come to expect from Japan. Despite the vast sums of money that Japan pours into research and development, Japanese science has been criticized for concentrating almost exclusively on applied research that can be plugged right into the assembly line.

The handful of Nobel prizes awarded to Japanese scientists has been seen as proof, not least by the Japanese themselves, that the nation lacks what it takes to be creative in the sciences. And the country has been criticized for hoarding original work and not sharing it with the rest of the world.

There are signs, however, that the old myth is wearing thin. Leading Japanese corporations are putting as much as 10 percent of sales back into research and development, and many are building research labs to concentrate on basic science.

A recent survey by Nomura Research Institute found that 68 of Japan's leading corporations are spending more on research and development than on capital investment. In fiscal 1986, according to an estimate from a U.S. National Science Foundation study, Japanese companies spent \$40.1 billion on research and development, of which 6.1 percent, or \$2.2 billion, was labeled basic research.

The government, too, has issued a rash of reports and white papers calling for a stronger commitment to open-ended fundamental research. More significantly, it has been digging deeper into its pocket for science.

Government research funding is now up to 0.58 percent of the gross national product, a recent survey by the Agency of Industrial Science and Technology shows. Government and private research and development together reached 3.29 percent of the GNP in 1984, the report found, passing the U.S. ratio of 2.89

percent. Real growth in research and development spending has averaged between 8 and 10 percent for the last five years.

The new commitment is showing results. In 1987, Japan was the largest foreign recipient of U.S. patents, obtaining no fewer than 17,288. Three Japanese companies — Canon, Hitachi and Toshiba — took first, second and third place, respectively, in the U.S. corporate patent race. Japanese technology exports to Western countries grew 200 percent between 1976 and 1985 in yen terms, while technology imports, although still far larger in absolute value, rose only 60 percent.

Moreover, Japan is beginning to be recognized as a serious contender in a number of leading-edge technologies. In optoelectronics, semiconductors, low- and high-temperature superconductors, in certain areas of biotechnology, including fermentation processes, surface physics and even X-ray astronomy, the Japanese are strong and growing stronger.

To many Japanese, though, the progress that has been made is far from enough.

"Certainly, there are some areas of basic research where Japanese scientists do excellent work," said Dr. Michio Okamoto, head of the Human Frontier Science Program for basic research in the life sciences that was first proposed by former Prime Minister Yasuhiro Nakasone at the Venice summit meeting in June 1987. "But overall, the quality of Japanese science is not that good," said Dr. Okamoto. "We still have a lot of work ahead of us."

INDEED, STATISTICS tell only half the story. "Most of the areas where the Japanese are strong are closer to extremely high-class applied high technology than they are to the very fundamental part of the spectrum," said a U.S. official, and many Japanese agree. Having 80 percent of research and development come from the private sector frees Japanese scientists from defense research, which accounts for 70 percent of the U.S. government's research and development budget.

But it also means that most companies are using their research money in-house in their own field, said Jiro Kondo, president of the Science Council of Japan.

"Top management is very short-sighted," Mr. Kondo said, "and wants to get profits out of its research expenditures."

The National Science Foundation estimates that 25 percent or less of the corporate research and development spending labeled "basic research" is actually open-ended research unconcerned with economic applications.

Public sector research also has its problems. Rigid university hierarchies with their seniority-based promotion systems help stifle the creativity of young researchers, forcing them to



At Tsukuba science city, researchers are studying the nature of matter.

work for years under the thumb of senior scientists.

When Susumu Tonegawa of the Massachusetts Institute of Technology was awarded the Nobel Prize in Medicine in 1987, there was little rejoicing back home. The frustrated researcher left Japan 20 years ago and said he could never have done his research in his native country.

Conformity is still more valued than risk in Japanese schools, from elementary school on, and that could mean continued trouble for basic research in the future. "Recently even the graduates of engineering departments are looking for high-paying jobs with banks and on the stock market," said Mr. Kondo of the Science Council.

Given the problems, it may not be surprising that so few foreign researchers have chosen to work in Japan. Japan has been criticized for keeping its scientific discoveries to itself, but

the charge seems to stem not so much from deliberate concealment as from the barriers posed by the Japanese language and from the fact that, until recently, little was happening in Japan to attract foreign attention.

The National Science Foundation has published a list of 123 Japanese corporate research labs willing to take on foreign researchers, while U.S. officials in Tokyo say they have had no problem with access to university and national labs. Yet, National Science Foundation fellowships for U.S. scientists to study in Japan go unfilled.

DANA LEWIS is a journalist based in Tokyo.

Cities Considering Teleport Potential

By Peggy Trautman

COLOGNE — World-class business centers have relied on shipping ports and airports to make and maintain their commercial contact with the outside world.

In a world where information and the power to transmit it are becoming an important commodity, teleports are becoming a valuable asset for the world's major cities, and countries without them are scrambling to catch up.

Telecommunications users and analysts say these sophisticated satellite communications facilities will play a significant role in Europe's development, and will help it meet the economic challenges of 1992.

The United States has a headstart with more than 30 teleports operational, planned or under construction out of about 50 worldwide. According to a recent Frost & Sullivan report, by 1995 there will be about 200 teleports in the United States, and Europe and the Far East will not be far behind.

"We're just seeing the start of a movement [in teleports] in Europe," said Peter Ruediger, a spokesman for London-based Mercury Communications. He added that teleports have played an increasingly important role when areas are being considered for business development.

provides better than standard data communications services.

In West Germany, the Bundespost's monopoly of communications has hindered teleport progress. In September, however, the Bundespost began a policy of liberalization, implementing a number of tariff reforms, and several teleports are now being planned.

The site attracting the most attention is project in the heart of Cologne, where 140,000 square meters have been cleared to construct

'We're just seeing the start of a movement in Europe.'

an industrial center that officials hope will make Cologne the European capital for television communications and video arts. The development is being undertaken by the MediaPark Köln Development corporation along with the city of Cologne and the state of North Rhine-Westphalia.

MediaPark developers are convinced that Cologne, with the help of its major television networks and progressive video arts university, will be the first city to host a complete media communications center with satellite links to the rest of the world. The facility will be a combination of conference centers, office buildings and apartments—all wired together in networks offering progressive value-added services such as electronic messaging, mailbox and telematics. The MediaPark is expected to be finished by 1992.

Businesses apart from the major media giants are also interested in the site as a telecommunications center. These include West Germany's electronics and computer giants Siemens, Nixdorf, Teleorma and Bosch.

The World Teleport Association held its last annual international conference in Cologne. As the president of the U.S.-based nonprofit organization, Robert Annunziata, said, "Prominent cities can lose the pre-eminence if they do not develop and maintain their trading infrastructure."

PEGGY TRAUTMAN is a journalist based in Bonn.

Japanese Gain in Print Equipment

By Sally Adamson Taylor

HONG KONG — Although Honda has yet to match Mercedes in the luxury car field, the Japanese are winning part of the market away from the West Germans in another kind of machinery: printing equipment.

In Asia, where the printing industry is growing faster than anywhere else in the world, Mitsubishi, Komori and other Japanese manufacturers are trying to prove that they can beat the Germans. Heidelberg, MAN Roland and Miller are the industry leaders, but the Japanese are gaining ground with reliable, labor-saving technology and competitive prices.

"At the end of the day," predicted Mike Hancock, at Pura, the printing industries research association in Britain, "there will be two countries manufacturing printing equipment, the Germans and the Japanese."

The British, the Italians and the Americans, except in a few specific applications, have bowed out of the race. Yet, less than a decade ago, the Japanese were not even considered to be in the running.

"Five years ago, people here had no faith in Japanese presses," said Edward Yung, whose Hong Kong company, Dynamic Printing Equipment Co., Ltd., represents Mitsubishi in Hong Kong and China. "It was a hard job, getting printers to switch over. Their decision on printing equipment is vital to their business."

Printed matter is one of Hong Kong's top 10 exports, and it is growing by 20 percent each year. The labor shortage in the printing trades rose to 8.5 percent of the total work force this year. It is expected to get worse.

Singapore, another major export printing center in Asia, also has a limited and increasingly expensive labor pool. Printers there are moving their less labor-intensive jobs next door to Malaysia. Japan is beginning to print in South Korea, and Hong Kong printers are setting up operations in Shantung Province in China—all for the same reason.

So Mitsubishi is introducing a new F-series of machines that it claims will reduce makeready time to less than 10 minutes.

Every minute counts in the printing business, and all equipment manufacturers promote labor-saving techniques, such as sophisticated computerized inking systems, providing on-line integration of color-separation and printing systems, and automated cleaning and re-inking abilities.

CHOOSING printing equipment has become a question of balancing labor-saving technology with a limited supply of skilled operators. Mitsubishi, which supplies over half the presses in the Japanese market, has sold 10 presses in Hong Kong and 52 in China. Although Mr. Yung said that those figures are small compared to the sales of the Heidelberg presses, the growth rate is as much as 50 percent. He expects that rate to continue into the 1990s.

For the Japanese, the biggest hurdle is psychological. Among Asian printers, especially the Chinese, Heidelberg is considered "number one." These presses are made at the home plant in the German town for which they were named. Competing against other German manufacturers such as MAN Roland and Miller as well as the Japanese, Heidelberg works hard to stay on top of the technology.

Shipments of several models popular in Asia have failed to keep up with demand. As a result, some 5-year-old Heidelberg machines have a resale value equal or greater than their purchase price. Few printers want to miss this kind of investment opportunity, and many printers have been slow to even consider the Japanese competition. Even in Japan, Heidelberg has a strong market.

Japan is the world's biggest print market after the United States and it boasts some of the world's best printing. Companies like Mitsubishi and Komori have developed technology that relies less on the skills of a master printer and more on the computer chip and technically trained operators.

Komori, with sales and marketing in 44 countries, started marketing abroad in 1971. In 1983, it developed a computerized auto-register system using a three-pin system to position sheets on the press (most presses use a two-pin system).

Mitsubishi offers a system that allows a computer connected to the laser scanner to "read" the density and color values of the image being scanned and then feed that information directly into the printer, so the machine can print each ink—there are at least four in a full-color image—in exactly the best quantity to reproduce the original image.

"Automation is definitely where the Japanese will score," predicted Mr. Hancock. "The only problem now is to make it cost-effective."

SALLY ADAMSON TAYLOR is the editor of "Asian Printing" and author of "A Publisher's Guide to Printing in Asia."

Pacts Set Chain of Command in Space

Continued from page 7

This issue of the "peaceful" nature of the station was, in fact, the toughest part of the negotiations.

In the final agreements, one between the 12 governments — Belgium, Denmark, France, West Germany, Italy, Netherlands, Norway, Spain, Britain, Canada, Japan and the United States — and the other between NASA, ESA and the Japanese and Canadian space agencies, the most prominent word is "consensus."

A coordinating council made up of the four agencies and several subpanels will make decisions on a consensus basis. However, NASA will be the permanent chairman of all groups and will have the right to make final decisions if consensus is not reached.

Also, the agreement makes it clear that if the space station is in grave danger, NASA can step in and assume full control until the emergency passes.

In what the non-Americans consider a major victory, there is no provision that the commander of the space station must be American. A pool of astronauts will be developed from all the partners, and the commander and other crew members will be selected from this based on competence and experience.

The only rule is that the makeup of the crew will reflect the relative stake of each partner in the space station, which is 12.8 percent European, 12.8 percent Japanese, 3 percent Canadian and 71.4 percent U.S.

Few doubt that the space station commander will usually come from NASA's well-trained corps of astronauts, but since the commander, like all crew members, will be rotated off the station every 90 days for health reasons, there

will be a chance for non-Americans to assume the top job.

All crew members will be considered as nationals in their own territory when in space, but they will also subscribe to a strict code of conduct which is yet to be worked out. The code will lay down the chain of command, work standards, disciplinary rules and responsibility for equipment.

On the military issue, there is carefully worded language that says that each partner will respect existing treaties on the peaceful use of space in their space station activities. However, each partner has the right to define "peaceful purposes" for themselves. "The military section doesn't break new ground," said one source in Washington.

The main area where consensus will be important is in committee work to hammer out the operating and use schedules for the space station. The United States will provide the living supply modules, and a scientific lab and Japan and ESA will both have their own research modules. Canada will build the robot arm system to service the outside of the station and in return get space in the various laboratories.

Each year the different committees will agree on a plan on who will do what on the station. It will cover the coming five years, subject to the annual update. In the early years, the work schedule will be heavily dependent on the availability of NASA shuttle flights. The Europeans were careful to demand specific rights of transport of their space station materials to Cape Canaveral for launch and return after landing.

After 1998, ESA hopes to have its own Hermes space shuttle flying with an Ariane 5 booster from its own South American launch

base. This will give more flexibility, especially for the Europeans to deploy their own manned free-flyer, which will contain long-term microgravity experiments.

The non-American partners also won language to ensure that the strict U.S. rules on transfer of sensitive technology abroad will not hamper space station operations in which the international crew will necessarily become familiar with U.S. equipment.

Overall, the Europeans believe both they and the Americans made substantial compromises to get the program moving. From the U.S. side, there was good reason to bend a little. NASA was barely able to get \$900 million, the minimum needed to begin actual construction work on the space station components, out of Congress in its 1989 budget. This coming year it will have to ask for more than twice that.

NASA officials readily admit that the strong financial commitment of other nations to the project is a major selling point in these budget battles.

Ironically, ESA, which went through several years of internal squabbling over whether to pursue the space station cooperation with the United States or its own independent space effort, reached a new political stability in late 1987.

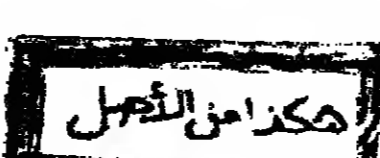
A basic decision to follow both courses and integrate the effort, gave the Europeans a strong bargaining chip which they appear to have used successfully in dealing with the United States. The implicit threat to go it alone, if necessary was the key that made the talks with the United States go so well.

PAUL KEMEZIS is a freelance journalist who writes frequently on data communications issues.

Advertisement for J.S. TELECOMMUNICATIONS, titled 'THE FUTURE ON LINE'. It features an image of a computer workstation and text describing the company's services and capabilities.

Advertisement for J.S. TELECOMMUNICATIONS, titled 'L'Alliance Jeumont Schneider Bosch'. It features a graphic of a globe and text describing the company's international presence and R&D budget.

Vertical sidebar advertisements for 'Derek', 'Ozawa', and 'NYSE ANSE Actives'. The NYSE section includes a table with columns for 'NYSE ANSE Actives', 'NYSE ANSE Averages', and 'Dow Jones Bond Averages'.



A Key Executive in PCs Leaves IBM for Xerox

By John Markoff
New York Times Service
NEW YORK — William C. Lowe, a key executive at International Business Machines Corp., has resigned from the company after serving as a lightning rod for criticism of IBM's personal computer marketing strategy.

Mr. Lowe, 47, left Monday for Xerox Corp., where he has been named head of product planning, development and manufacturing.

Mr. Lowe was the architect of IBM's entry into the personal computer marketplace in 1981 and has served as president of the company's entry systems division since 1985.

In recent years, the IBM personal computer line has been battered by competition from clone machines. The company has struggled in its attempt to differentiate its profitable mainframe computer line from increasingly powerful and inexpensive workstations and personal computers.

Mr. Lowe's resignation had been rumored for six months, but IBM executives on Monday denied that his departure was related to

this seemed like such a great opportunity."
Mr. Lowe said that he was familiar with Xerox's difficulties in bringing its technology from the laboratory to the marketplace and that he thought the company had excellent technology that would make it competitive in the future.

"There are a lot of great things in the laboratories here that will see us well in the future," he said.

Industry executives said they did not think that Mr. Lowe's departure signaled a major shift at IBM.

"It's too bad to have Bill Lowe go," said William H. Gates 3d, chairman of Microsoft Corp., the software company. But, he added, "Within IBM, one person changing doesn't signify a whole strategy shift."

Mr. Heller is being a contentious figure at IBM because of his goal of bringing the power of the mainframe to the workstation mar-

U.S. Futures
Via The Associated Press

Table with columns for Market, Open, High, Low, Close, and Change. Includes sections for U.S. Futures, Grains, and Food.

U.S. Futures
Via The Associated Press

Table with columns for Market, Open, High, Low, Close, and Change. Includes sections for U.S. Futures, Grains, and Food.

U.S. Futures
Via The Associated Press

Table with columns for Market, Open, High, Low, Close, and Change. Includes sections for U.S. Futures, Grains, and Food.

INTERNATIONAL FUNDS
December 6, 1988

Large table listing various international funds with columns for Fund Name, Sector, and Performance Metrics.

Livestock

Table with columns for Market, Open, High, Low, Close, and Change. Includes sections for Livestock and Currency Options.

Currency Options

Table with columns for Market, Open, High, Low, Close, and Change. Includes sections for Currency Options and Financial.

Financial

Table with columns for Market, Open, High, Low, Close, and Change. Includes sections for Financial and Dividends.

Dividends

Table with columns for Company, Dividend, and Date.

London Commodities

Table with columns for Commodity, Price, and Change.

Paris Commodities

Table with columns for Commodity, Price, and Change.

U.S. Treasuries

Table with columns for Maturity, Yield, and Price.

Metals

Table with columns for Market, Open, High, Low, Close, and Change.

Stock Indexes

Table with columns for Index Name, Value, and Change.

Commodity Indexes

Table with columns for Index Name, Value, and Change.

London Metals

Table with columns for Metal, Price, and Change.

Company Results

Table with columns for Company Name, Revenue, and Profit.

U.S. Treasuries

Table with columns for Maturity, Yield, and Price.

Spot Commodities

Table with columns for Commodity, Price, and Change.

Stock Indexes

Table with columns for Index Name, Value, and Change.

Commodity Indexes

Table with columns for Index Name, Value, and Change.

London Metals

Table with columns for Metal, Price, and Change.

Company Results

Table with columns for Company Name, Revenue, and Profit.

U.S. Treasuries

Table with columns for Maturity, Yield, and Price.

Spot Commodities

Table with columns for Commodity, Price, and Change.

DM Futures Options

Table with columns for Option Name, Price, and Change.

Upjohn Stock Analyst Says This
NEW YORK — Upjohn stock analyst says this...
Upjohn is going to take a share, with a 15% increase in value.

STC to Acquire U.S. Concern In Agreed Deal
LONDON — STC PLC, a leading British supplier of computer and telecommunications equipment, has agreed to purchase...
The company said late Monday it had made an agreed-of deal to acquire a U.S. concern.

If you want to read all business news every day...
You won't find it any other place.

McCarr
Complete the coupon and send it to:
McCarr Information, Ltd., Manor House,
115, The Drive, West Wyalong, NSW 2870, Australia.
We'll send you a complimentary copy of our...
Call today for more information.

BUSINESS ROUNDUP

Upjohn Stock Falls on Downgrade

Analyst Says Thin Rogaine Sales May Cut 1989 Earnings

NEW YORK — Upjohn stock fell Tuesday after Christina Heuer, an analyst at Smith Barney, Harris Upham & Co., said she downgraded her recommendation on the company to a sell from a neutral rating because of poor initial sales of its hair loss treatment, Rogaine.

Fujitsu Unveils Computers

NEC Corp.'s fastest existing supercomputer, the SX2, has a speed of two billion to three billion floating-point operations per second, Fujitsu officials said.

Investors Take Profits From Mitsubishi Auto

TOKYO — Profit-taking on Tuesday pushed Mitsubishi Motors Corp. shares down 180 yen (\$1.48), to 1,260 yen each, at the close of their second day of trading on the Tokyo Stock Exchange.

Icahn Says He Has No Plans To Sell His Stake in Texaco

NEW YORK — Carl C. Icahn said Tuesday that he has no intention of selling his 14.8 percent stake in Texaco Inc. and may buy more stock in the company from time to time based on market conditions.

Mr. Icahn today said that he had no present intention to sell his Texaco common stock and continues to believe such stock is undervalued, a statement issued by Mr. Icahn's office said Tuesday.

U.S. Will Attend Debate on Plo

WASHINGTON — The United States will attend a United Nations Security Council debate on the question in Geneva on Tuesday.

STC to Acquire U.S. Concern In Agreed Deal

LONDON — STC PLC, a leading British supplier computer and telecommunications equipment, has agreed to purchase Computer Consoles Inc. of Waltham, Massachusetts, for \$168 million.

Fugitive Low Brothers Seek Vindication

HONG KONG — Three former executives of Ka Wah Bank Ltd., now fugitives from justice, have filed a writ in the High Court claiming damages against seven parties connected with the bank which was teetering on the verge of collapse two years ago.

Continental Air Names CEO

HOUSTON — D. Joseph Corr, a former president of Trans World Airlines Inc., has been named chairman and chief executive of Continental Airlines, the company said Tuesday.

If you were able to read all these top business publications every day...

...you wouldn't need McCarthy.

Attempting to wade through the world's top sixty business publications each day would leave little time for getting on with the business of the day.

McCarthy

The information you need, the way you need it. Complete this coupon and send it to Julian Caunce, McCarthy Information Ltd. Manor House, Ash Walk, Waminstor, Wiltshire, BA12 8PY.



COMMERZBANK (SWITZERLAND) LTD

Commerzbank (Switzerland) Ltd - your resourceful partner in Zurich and Geneva for expertise in all areas of private banking.

- Portfolio management
• Investment counselling
• Fiduciary transactions
• Trading in securities, foreign exchange, and precious metals

Call Toll-Free Save up to 50% It's never been easier or more economical to subscribe to the International Herald Tribune.

Table with columns: Country/Currency, Toll-Free Telephone Number, 12 months (+52 free issues), One Year Savings, 6 months (+26 free issues), 3 months (+13 free issues).

Herald Tribune INTERNATIONAL Subscription Manager, International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

ports Release active Steam... The Frankfurt incident reported by the American press... U.S. Will Attend Debate on Plo... MORE INFORMATION... BUSINESS SERVICES... OFFICE SEEK... SOON IN LINE... MEDICAL WANTED... INTERVIEWING... FEATURES... CAP BLISS... NEW YORK... YOUR ANSWER... THE DAILY SOURCE... International Investor

Tuesday's AMEX Closing

Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with columns: 12 Month High/Low, Div. Yield, P/E, and various stock symbols and prices.

Table with columns: 12 Month High/Low, Div. Yield, P/E, and various stock symbols and prices.

Table with columns: 12 Month High/Low, Div. Yield, P/E, and various stock symbols and prices.

Table with columns: 12 Month High/Low, Div. Yield, P/E, and various stock symbols and prices.

Table with columns: 12 Month High/Low, Div. Yield, P/E, and various stock symbols and prices.

Table with columns: 12 Month High/Low, Div. Yield, P/E, and various stock symbols and prices.

CURRENCY MA Dollar End NEW YORK - The dollar...

INTRODUCING ALL THE BENEFITS OF A SWISS FIDUCIARY DEPOSIT AND A LITTLE BIT OF DUTCH COMMON SENSE.

The advantages of a Swiss fiduciary deposit are, as everyone knows, enormous. Unfortunately so is the amount of money usually required to open one.

FOR A START YOUR MINIMUM INVESTMENT CAN BE AS LOW AS US\$25,000.



And in any event you'll find the "ordinary" rate very competitive. For example, a 3 month Ro-deposit of US\$25,000 would have a gross rate of interest of 9%.

Form for Robeco Group investment application, including fields for Name, Address, Telephone, and Country.

Floating-Rate Notes

Table listing floating rate notes in Dollars, including Issuer/Note, Coupon, Maturity, and Bid/Ask prices.

Deutsche Marks

Table listing Deutsche Marks, including Issuer/Note, Coupon, Maturity, and Bid/Ask prices.

Japanese Yen

Table listing Japanese Yen, including Issuer/Note, Coupon, Maturity, and Bid/Ask prices.

DP America Growth Fund

The Quarterly Report as of 30th September 1988 has been published and may be obtained

INTERNATIONAL Herald Tribune

Now Printed in New York For Same Day Service in Key American Cities. To subscribe call us toll-free in the U.S. 1-800-882-2884.

Tuesday's OTC Prices

Table listing OTC prices for various stocks, including columns for Bid, Ask, and Volume.

CURRENCY MARKETS

Dollar Ends Firmer in New York

NEW YORK — The dollar ended firmer in New York trading Tuesday, while the British pound again climbed against the Deutsche mark and other currencies.

London Dollar Rates

Table with 3 columns: Currency, Tm, Mon. Includes Deutsche mark, Japanese yen, Swiss franc.

The dollar also closed at 1.4568 Swiss francs, up from 1.4450 on Monday, and at 5.9360 French francs, compared with 5.8960 francs a day earlier.

Experts Say China Should Raise Rates

BEIJING — China will need to raise bank interest rates soon to ease serious cash shortages in banks, according to Chinese and foreign economists.

JAPAN: Third-Quarter GNP Reveals a Brisk Level of Economic Growth

Now, government officials say growth looks certain to top the official 3.8 target for the fiscal year through March 31 and could even reach 5 percent.

Officially said brisk personal spending and capital equipment spending and housing investment spurred the domestic demand.

Hefty end-of-year bonuses and income-tax cuts under the government's tax-reform package should keep consumers in a spending mood, economists said.

The Japanese trade surplus is likely to rise to \$100 billion in fiscal 1989-90 on an estimated \$95.6 billion in the current fiscal year.

GATT: At Meeting, Call for Action on Protectionism

(Continued from page 1) they have recently assumed at other international meetings, the Japanese have been virtually invisible in Montreal.

What is at stake, Mr. Conable said, "is nothing less than the open, multilaterally agreed trade environment" promised by the founders of the postwar international economic institutions.

Although the effects of such complex barriers were difficult to measure, Mr. Conable said, it had been estimated that restrictions by industrial countries were costing developing countries about 3 percent of their gross national product.

The curbs stanchoned the run, but banks are still short of funds for lending or crop buying. Prime Minister Li Peng told an economic planning meeting on Monday that the economy was still out of control despite the austerity campaign.

HUNGARY: Planners Face Hard Choices in Search for Market Economy

See HUNGARY, Page 19 discover that these reforms all have their prices," said Ivan Lipowecz, editor of the economic weekly HVG.

state companies and unemployment for hundreds of thousands of workers who were raised to them that socialism guaranteed them jobs.

While agreeing that the move to the market cannot happen at once, many of the country's liberal economists and some Western diplomats accuse the authorities of too much hesitation.

What makes the government's task urgent is the prolonged and continuing stagnation of Hungary's economy despite its widely-praised reforms.

Tuesday's OTC Prices NASDAQ prices as of 4 p.m. New York time.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

Table with 5 columns: 12 Month High, Low, Stock, Div. Yld. PE, High, Low 4 P.M. CLOS.

BIG CROSSWORD

Some figures are unofficial. Yearly highs and lows reflect the greatest 52 week close. Current week's data reflect trading data. Where a split or stock dividend is announced, the new price is shown for the new high-low range. Dividend dates are shown for the next dividend only. Dividend yields are based on the current price and the annual dividend payment.

BOOKS

DICTIONARY OF THE KHAZARS: A Lexicon Novel in 100,000 Words

By Milorad Pavic. Translated by Christina Pribicevic-Zoric. Illustrated. 338 pages. \$19.95.

Reviewed by Michiko Kakutani

THE U.S. publisher of Milorad Pavic's "Dictionary of the Khazars," has come up with a fancy advertising campaign for this Serbo-Croatian novel.

To underscore the novel's puzzling personality, the publishers have issued the book in two versions, a "male edition" and a "female edition" that differ by 17 lines.

Such games, of course, have become a convention among the post-modernists who want to force us to connect the narrative dots and, by doing so, turn the fiction-making process into an active exchange between author and reader.

Cohen, it turns out, is studying the Khazars as well, and he also has strange dreams that feature Brankovich.

prodigality of his imagination. He retells the Dracula legend, redefines hell, tries to explain the genesis of the Slavic languages and proposes a new theory of dreams.

Some of the poetic riffs in the "Dictionary of the Khazars" are as enchanting and powerful as anything created by Gabriel Garcia Marquez, and as translated by Christina Pribicevic-Zoric, they attest not only to Pavic's gift of language but also to his mastery of hand, his ability to manipulate the concepts of reality and time.

Michiko Kakutani is on the staff of The New York Times.

BEST SELLERS

Table listing best-selling books in the United States, including titles like 'The Sandlot of Time' and 'The Cardinal of the Kremlin'.

NONFICTION

Table listing nonfiction best sellers, including 'Gracie by George Burns' and 'All I Really Need to Know I Learned in Kindergarten'.

World Stock Markets

Table showing closing prices in local currencies for various international stock markets as of Dec. 6.

Table for Amsterdam stock market, listing various stocks and their closing prices.

Table for Hong Kong stock market, listing various stocks and their closing prices.

Table for Frankfurt stock market, listing various stocks and their closing prices.

Table for London stock market, listing various stocks and their closing prices.

Table for Paris stock market, listing various stocks and their closing prices.

Table for Sydney stock market, listing various stocks and their closing prices.

Table for Tokyo stock market, listing various stocks and their closing prices.

Table for Sao Paulo stock market, listing various stocks and their closing prices.

Table for Singapore stock market, listing various stocks and their closing prices.

Table for Toronto stock market, listing various stocks and their closing prices.

Table for Stockholm stock market, listing various stocks and their closing prices.

Table for Market Closed, listing various international market status updates.

Table for Market Closed, listing various international market status updates.

Table for Market Closed, listing various international market status updates.

Table for Market Closed, listing various international market status updates.

CROSSWORD puzzle grid with clues for 1-24 across and 1-10 down.

WEATHER forecast table for various regions including Europe, Asia, North America, Africa, Latin America, and Oceania.

Comic strip 'DENNIS THE MENACE' showing Dennis and his mother.

WORD GAMES including 'JUMBLE' and 'ANDY CAPP' puzzles.

Comic strip 'PEANUTS' featuring Snoopy and Woodstock.

Comic strip 'BLONDIE' featuring Blondie and Dagwood.

Comic strip 'WIZARD OF ID' featuring a wizard and his assistant.

Comic strip 'REX MORGAN' featuring Rex Morgan and his son.

Comic strip 'BEETLE BAILEY' featuring Beetle Bailey and his dog.

Comic strip 'DOONESBURY' featuring Mr. Doonesbury and his friends.

Comic strip 'GARFIELD' featuring Garfield the cat and his owner.

Comic strip 'GARFIELD' featuring Garfield the cat and his owner.

Large advertisement for 'Amateur Boxing' and 'PERSONAL INVESTING' with various promotional text.

SPORTS

No Pity for Thugs, No Quarter to Rogues

International Herald Tribune LONDON — So, Heysel Stadium is to be bulldozed and replaced. None too soon. What decent man, woman or child wants to cheer in a man-made stadium? ...

not. Violence, even premeditated murder, is increasing. This week there are eight UEFA Cup matches. Two — VFB Stuttgart vs. FC Groningen, and AS Roma vs. Dinamo Dresden — have potentials of spectator violence.

Rob Hughes memory of 39 Italians crushed to death when a wall collapsed during a football game in 1985? The timing of Heysel's foreclosure is curious. It comes during the inexcusable trial of 26 Liverpool supporters accused of the killings.

But in Rome, Heaven help the innocent bystander if Roma cannot recover two goals from the first game in Dresden. Obviously, East German visitors will be thin on the ground. But a notorious hard core of Roma followers have recently shown no partiality to whom they stab.

At two English matches, there were 'no go' areas, motor police, helicopters, dogs, and waves of constables.

England as a nation is still grappling with the problem. The prime minister is determined to impose identity cards on all supporters despite the wailing of clubs who claim they will slash their attendance.

force ID cards; soccer returns that three arrests per match — among 400,000 citizens who pour through turnstiles each weekend — vindicates the decent majority.

Harmless things, keyways? Also, no. At the end of play, angered because Millwall lost its unbeaten home record, some youths unleashed their rage at opposing players.

Amateur Boxing Reforms Vowed

VIENNA — Amateur boxing, battered by concern over safety and charges of corrupt judging at the Seoul Olympics, will wage a cleanup campaign to regain its place as "the noble art of self-defense," the head of the International Amateur Boxing Federation said Tuesday.

and stress efforts for the safety of the boxer." Chowdhury said in an interview. In addition, Chowdhury said, a top-level federation panel has recommended suspending a total of nine boxers and officials involved in disputed bouts in Seoul, and stripping South Korea of all international amateur boxing next year.

cent years, particularly at the Olympics. "The time is here that we have to review the situation," Chowdhury said as the International Olympic Committee's executive board met here.

Hue and Cry Over Blacks In Baseball

ATLANTA — Hank Aaron has taken sharp issue with the commissioner of baseball, Peter Ueberroth, over the role of blacks in the sport. Aaron, in the biggest spark of baseball's winter meetings here, disputed Ueberroth's assertion of increased opportunities for blacks, saying it was "the same old ball, just dressed up a little."



Ken Lauer/Reuter-UTA

Rams Beat Bears, 23-3, to Stay Alive

Chicago failed to contain Henry Ellard, the sneaky receiver for Los Angeles, in the NFL game Monday night in Anaheim, California. He nabbed six passes for 132 yards and broke open a close game with a 31-yard, third-quarter touchdown. That kept the Rams, 8-4, in play-off contention.

Chicago, starting Jim Harbaugh, the No. 3 quarterback, slipped to 11-3. Neal Anderson of the Bears, above left, did not help when he fumbled after a hit by Doug Reed. The Rams recovered.

It's Becker, by a Bounce

By Christine Brennan Washington Post Staff Writer

NEW YORK — With a backhand at the end of a 37-shot rally that hit the tape and dribbled meekly over the net, Boris Becker ended a 4-hour, 42-minute marathon match against Ivan Lendl to win his first Nabisco Masters tennis title.

Becker ended Lendl's three-year reign at this season-ending tournament, 5-7, 7-6 (7-5), 3-6, 6-2, 7-6 (7-5). He earned \$150,000 as the winner plus \$285,000 for the tournament, based on the number of matches he won.

Lendl was a finalist the last nine years in the tournament and champion five times. When Becker had finally, mercifully, won the match, he threw his racket into the stands.

The ending hardly was worthy of the rest of the match. Becker was serving with a 6-3 lead in the tie-breaker. Both players stayed back, perhaps too tired to attempt anything unusual.

In the second set, neither player could win on his opponent's serve, although Lendl had his chances. He had four break points; Becker had none. But Becker won the long set by climbing to a 6-3 lead in the tie breaker, waiting through two Lendl service winners and then winning on his serve when Lendl slammed a forehand wide.

Lendl won the first set on persuasion. In the third set, Lendl broke Becker's serve in the fourth game and never gave Becker an opening to win. Lendl took the set, 6-3, in just 45 minutes.



Becker triumphant: 'I don't know what happened.' Bill Sherman/Agence France-Press

Becker said, "I don't know what happened." The ending hardly was worthy of the rest of the match. Becker was serving with a 6-3 lead in the tie-breaker. Both players stayed back, perhaps too tired to attempt anything unusual.

In the fourth set, just when one thought Lendl was in control, Becker broke his serve three times and won the easiest set of the match, 6-2. He finally found his first serve; he was successful on 68 percent of his first serves in that set, up from close to a 50-50 success rate in the first three sets.

Women's Rankings The Women's International Tennis Association announced that Steffi Graf finished the year as the No. 1-ranked player on the WITA computer rankings, ahead of Martina Navratilova and Chris Evert.

SIDELINES

Oxford Rampant

LONDON (AP) — Oxford trounced Cambridge on Tuesday, 27-7, in the two universities' annual rugby match, played before a crowd of 55,000 at Twickenham.

Phils Trade Gross

ATLANTA (AP) — The Philadelphia Phillies on Tuesday traded All-Star pitcher Kevin Gross to the Montreal Expos for pitchers Floyd Youmans and Jeff Parrett.

Tomba Tumbles

SESTRIERE, Italy (Reuters) — Austrian-born Marc Girardelli skied back to top form on Tuesday, winning his first World Cup slalom race in more than three years.

For the Record

The Russian defender Sergei Balchina on Tuesday became the first top Soviet soccer player to join a British club, signing a six-month contract with the English club Ipswich Town.

Women's Rankings

Women's Rankings The Women's International Tennis Association announced that Steffi Graf finished the year as the No. 1-ranked player on the WITA computer rankings, ahead of Martina Navratilova and Chris Evert.

SCOREBOARD

FOOTBALL

NFL Standings table with columns for American Conference and National Conference, listing teams like Buffalo, Cincinnati, Cleveland, Pittsburgh, etc., and their records.

College Top-20 Rankings

College Top-20 Rankings table listing top football teams like Notre Dame, Miami, West Virginia, etc.

BASKETBALL

U.S. College Results table listing basketball games between various colleges like Boston U., Bowling Green, etc., and their scores.

College Top-20 Rankings

College Top-20 Rankings table listing top basketball teams like Duke, Michigan State, etc.

Women's Rankings

Women's Rankings The Women's International Tennis Association announced that Steffi Graf finished the year as the No. 1-ranked player on the WITA computer rankings, ahead of Martina Navratilova and Chris Evert.

TRANSITION

TRANSITION American League TEXAS — Acquired Bobby Meacham, infielder, from the New York Yankees for Bob Brower, outfielder.

TRANSITION

TRANSITION Major League CHICAGO — Traded Rafael Palmeiro, outfielder, to Texas for Curtis Wilkerson, infielder.

TRANSITION

TRANSITION Major League BOSTON — Traded Eric Carter, pitcher, to the San Diego Padres for Mark Fidrych, pitcher.

TRANSITION

TRANSITION Major League PITTSBURGH — Traded Tom Seaver, pitcher, to the Cincinnati Reds for Steve Carlton, pitcher.

TRANSITION

TRANSITION Major League SAN FRANCISCO — Traded Tim Lincecum, pitcher, to the Seattle Mariners for Mike Hargrett, pitcher.

TRANSITION

TRANSITION Major League LOS ANGELES — Traded Raul Mondesi, pitcher, to the Philadelphia Phillies for Tim Lincecum, pitcher.

TRANSITION

TRANSITION Major League PITTSBURGH — Traded Tom Seaver, pitcher, to the Cincinnati Reds for Steve Carlton, pitcher.

TRANSITION

TRANSITION Major League BOSTON — Traded Eric Carter, pitcher, to the San Diego Padres for Mark Fidrych, pitcher.

TRANSITION

TRANSITION Major League SAN FRANCISCO — Traded Tim Lincecum, pitcher, to the Seattle Mariners for Mike Hargrett, pitcher.

TRANSITION

TRANSITION Major League LOS ANGELES — Traded Raul Mondesi, pitcher, to the Philadelphia Phillies for Tim Lincecum, pitcher.

TRANSITION

TRANSITION Major League PITTSBURGH — Traded Tom Seaver, pitcher, to the Cincinnati Reds for Steve Carlton, pitcher.

TRANSITION

TRANSITION Major League SAN FRANCISCO — Traded Tim Lincecum, pitcher, to the Seattle Mariners for Mike Hargrett, pitcher.

TRANSITION

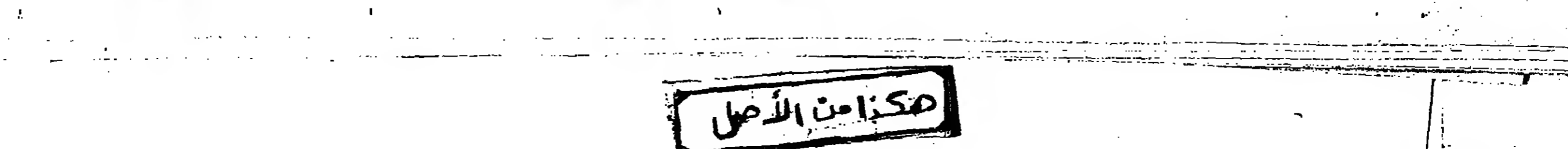
TRANSITION Major League LOS ANGELES — Traded Raul Mondesi, pitcher, to the Philadelphia Phillies for Tim Lincecum, pitcher.

ESORTS & GUIDES International Escort Service, InterFaces Escort Service, Mercedes Escort Service, etc.

INTERNATIONAL CLASSIFIED (Continued From Back Page) LONDON KENSINGTON ESCORT SERVICE, ARISTOCATS ESCORT SERVICE, REGENCY ESCORT SERVICE, etc.

ESORTS & GUIDES *SHE* INTERNATIONAL SOPHISTICATED ESCORT SERVICE, MASTERS ESCORTS, etc.

BLANCPAIN SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE. GOLAY FILLS & STAHL



OBSERVER

No Time for Trousers

By Russell Baker
NEW YORK — Needing pants, I go to Google's. The pants department is idle. Five or six people browsing, but no salesperson bustling up to ask, "Can I help you?"

Parlay Voo Simplified French?

By Barry James
PARIS — The tavern in Paris that tells its customers to ask the taxi driver to take them, s'il vous plait, to "sank roe noo" may have hit upon an idea whose time has come — the simplification of the French language.

PEOPLE

In L.A., Liberty's Rival?

A \$45 million monument in Los Angeles that is intended to rival the Statue of Liberty will include a "Musical Forest" and aquariums, but not a giant video screen facing freeway drivers or a huge transparent bird that lays an egg — as some of the other designs proposed.

TODAY'S BUSINESS MESSAGE CENTER
Appears on page 6
PERSONAL MESSAGES
ANNOUNCEMENTS

INTERNATIONAL CLASSIFIED
ANNOUNCEMENTS
MOVING
REAL ESTATE SERVICES
EMPLOYMENT

HOLIDAYS & TRAVEL
ORLANDO/FLORIDA
THE CONBURG HOTEL
LEGAL SERVICES
EDUCATION

AUTOMOBILE MARKET
AUTOMOBILES
AUTO RENTALS
AUTO SERVICES
AUTOS TAX FREE

AGEDI
LOOKING FOR AN EXCLUSIVE
HERPIN MOBILITIES
PARIS & SUBURBS
HENRI MARTIN
HAMPTON 42.25.50.35

ACCESS VOYAGES
EMPLOYMENT
EXECUTIVE POSITIONS AVAILABLE
U.S. ATTORNEY
GENERAL POSITIONS AVAILABLE

BUY YOUR NEXT VOLVO TAXFREE!
You can own a Volvo at a considerable saving if you are one of the many people travelling, working or living abroad who are luckily entitled to buy a tax-free Volvo.

MERCEDES-BENZ TAX FREE SALES DEPARTMENT
MERCEDES-BENZ FRANCE
118, avenue des Champs-Élysées, Paris
Tel.: 45 62 24 04

Place Your Classified Ad Quickly and Easily
INTERNATIONAL HERALD TRIBUNE
By Phone: Call your local H/T representative with your text. You will be informed of the cost immediately, and once prepared to make your ad will appear within 48 hours.

كردمان النحل
The Dollar in New York
DM 1.76
£ Pound 1.84
¥ Yen 123.61
₱ FF 6.01